

NOMINATION OF DAVID RUSSELL HINSON TO BE ADMINISTRATOR OF THE FEDERAL AVIA- TION ADMINISTRATION

Y 4. C 73/7: S. HRG. 103-742

Nomination of David Russell Hinson...

HEARING BEFORE THE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION UNITED STATES SENATE ONE HUNDRED THIRD CONGRESS

FIRST SESSION

JULY 20, 1993

Printed for the use of the Committee on Commerce, Science, and Transportation



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NOMINATION OF DAVID RUSSELL HINSON TO BE ADMINISTRATOR OF THE FEDERAL AVIATION ADMINISTRATION

TUESDAY, JULY 20, 1993

U.S. SENATE,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
Washington, DC.

The committee met, pursuant to notice, at 10:05 a.m., in room SR-253, Russell Senate Office Building, Hon. Ernest F. Hollings (chairman of the committee) presiding.

Staff members assigned to this hearing: Samuel E. Whitehorn, senior counsel, and Rebecca A. Kojm, professional staff member; and Emily J. Gallop and Susan Adams, minority professional staff members.

OPENING STATEMENT OF SENATOR HOLLINGS

The CHAIRMAN. The committee will come to order.

I am very pleased this morning to conduct the confirmation hearings of David Russell Hinson for Administrator of the Federal Aviation Administration.

Our distinguished colleague, Paul Simon of Illinois, was to be here to present him. He is expected momentarily and we will yield at that time.

Mr. Hinson, in addition to graduating from the University of Washington, and Navy Flight Training, the Stanford Business School, worked with Northwest Airlines from 1959 to 1962 as a pilot; United Airlines from 1962 to 1963 as an instructor; 1963 to 1973 with Hughes Airwest as executive assistant to the manager; 1973 to 1985 Hinson-Mennella in Portland, OR, as the president and CEO; Midway Airlines in Chicago from 1985 to 1991; and McDonnell Douglas from 1991 to 1993, and served in various civic roles and seems to have contributed to everybody but me on this list. [Laughter.]

Mr. Hinson has experience in aviation that is very comprehensive and thorough. And we look forward to his service.

I just say by way of opening, Mr. Hinson, that the same act, same scene, same play have all occurred before. We have had outstanding individuals come forward, but the FAA modernization program is overbudget and behind schedule.

We have \$4.4 billion in the trust fund as a surplus. While we are behind schedule, we keep using your moneys for the deficit, even though the President put in a \$79 million increase for airport im-

provement funds. The House has already knocked out \$300 million in AIP money over there in the House Appropriations Committee.

So, we are going in different directions, and we have got to get some semblance of administration and continuity in the air traffic control system if nothing else, and get it modernized.

[The prepared statement of Senator Hollings follows:]

PREPARED STATEMENT OF SENATOR HOLLINGS

Today's hearing is on the nomination of David R. Hinson to the important post of Administrator of the Federal Aviation Administration (FAA). Much work needs to be done concerning the future of our aviation system, and the FAA Administrator will have a challenging responsibility in this regard. The nominee has worked in the aviation industry for a long time, both as a pilot and as an airline and aircraft manufacturing executive. This experience should help Mr. Hinson to face the challenge of moving the FAA into the next century.

The FAA Administrator has two primary responsibilities—to ensure a safe aviation system and to spend the taxpayers' dollars wisely. The air transportation system was constructed with taxpayer dollars, and further expenditures must build appropriately upon those initial investments. Furthermore, Federal funds should be used for those purposes for which they were intended. Over the years, the aviation trust fund has had a significant surplus, which now amounts to about \$4.4 billion. These funds are collected for specific aviation uses and should be expended accordingly.

With respect to airport improvement, the President's budget recommended a small increase in funding for the Airport Grant Program, which is used to build and maintain the Nation's airports. Yet, even the President's modest increase of \$79 million appears in jeopardy, as the House appropriators have recommended a reduction of some \$379 million from the request. Any reduction in funding for this program will have serious implications for the aviation network across the country.

As the Nation's top aviation safety official, the FAA Administrator is responsible for ensuring that the system is safe and efficient. There is no higher priority than the safety of the traveling public. The FAA Administrator must work closely with the National Transportation Safety Board, the general and commercial aviation communities, labor, and airports to ensure that this goal is met.

Many promises have been made by former FAA Administrators. I have heard grandiose plans to modernize the air traffic control system, among others, but all too often those promises have not been kept. As an example, the air traffic control modernization effort continues to be overbudget and behind schedule. Important projects like this one cannot continue to be mismanaged. We have an obligation to ensure the most efficient aviation system possible.

If confirmed, Mr. Hinson will face a difficult task. I look forward to working with the nominee on the difficult challenges ahead.

The CHAIRMAN. Let me yield to our distinguished chairman, Senator Ford, here.

OPENING STATEMENT OF SENATOR FORD

Senator FORD. Thank you, Mr. Chairman.

I am delighted to take part in the hearing this morning, in the confirmation process of David Hinson to be Administrator of the FAA.

Quite frankly, I had hoped that he would have been confirmed a long time ago, but I will settle for this week with the tolerance of the chairman.

As the Aviation Commission ponders the financial state of the airline industry, I believe it is important to reaffirm the safety mission of FAA. At no other point in the history of the FAA has there been a greater need for strong leadership as there is today.

With budget constraints and the perilous state of the industry, we cannot let the safety mission slip away.

Mr. Hinson, you have an impressive background. And I will look forward to working with you. I cannot help but take the opportunity to suggest that, as Administrator, there are several issues important to me that you might overlook due to the number of pressing problems awaiting you at the FAA.

I would like to emphasize the importance of the noise issue to citizens all over the country. What is good for aviation is not necessarily good for the surrounding community.

I believe the FAA in the past has certainly tilted down the road that was good for aviation standard. I believe it is time to take a fresh look at the noise activities at the FAA.

Second, Mr. Hinson, please do not forget general aviation. General aviation plays a big role in commerce but often gets overlooked.

In a State like Kentucky, where a good part of the population cannot fly a commercial aircraft to the largest community, we realize the importance of general aviation.

And finally, air cargo has different needs than commercial carriers and, considering the importance of this sector of the industry, gets very little assistance or attention at DOT, FAA, or even here at the Congress.

Despite our lack of attention—and this might say something—cargo companies continue to grow and make a profit. I have a real cargo success story in Louisville. I am sure that you understand.

I wish you well, Mr. Hinson. And you have an enormous task. And I will do all that I can to assist you.

And I have several questions, Mr. Chairman, that I would like to ask him at the proper time.

The CHAIRMAN. Good. Senator McCain.

OPENING STATEMENT OF SENATOR McCAIN

Senator McCAIN. Thank you, Mr. Chairman.

I also welcome Mr. Hinson here. And I think that the challenges that face the airline industry, both general and commercial aviation, are daunting.

I believe that the administration's appointment of a very high level commission, which we already know some of the recommendations that they are going to be making to the administration and the Congress and that are very important.

And I believe that we are at a crucial time in the history of commercial and general aviation in this country. General aviation is a dying industry. And commercial aviation is in a greater danger than perhaps at any time in the history of commercial aviation.

The airline industry lost \$10 billion in the last few years. And clearly, we cannot see the survivability of a competitive environment as far as commercial airlines are concerned with that kind of continuing loss, red ink being spilled all over all of the major airlines with one or two major exceptions.

Mr. Hinson has had the experience of what many would view as a predatory situation with his involvement with Midway Airlines.

And I believe that he brings the credentials to this job that will be very vital in helping us sort our way through the incredibly difficult challenges, not only to the aviation industry as we know it,

but a global economy which is dependent upon a healthy and growing aviation industry in this country.

I thank you, Mr. Chairman.

I welcome Mr. Hinson.

[The prepared statement of Senator McCain follows:]

PREPARED STATEMENT OF SENATOR MCCAIN

Thank you, Mr. Chairman. I'd like to thank Mr. Hinson for appearing before this committee and I look forward to listening to his answers to the questions from this committee.

Never before have I seen in my term on this committee, a more stormy period to take the helm of the FAA. truly believe that the future of the aviation and aerospace industry depends on the strong leadership of the Administrator of the FAA, and I do not envy you and the difficult task that lies ahead of you.

Yesterday, the National Commission to Ensure a Strong and Competitive Airline Industry, appointed by President Clinton and Congress to study the airline industry, released a draft report containing its recommendations. Three of the Commission's recommendations espouse what I, and many other Republicans, have been saying for years. First, the commission accepted the position that the airlines are burdened with too many taxes and should be exempted from the fuel tax now being debated. Second, the Commission determined that the unpredictability of the U.S. product liability system has had a most devastating effect on the small aircraft manufacturing industry. And third, the Commission announced that once a liberal access agreement has been reached with a foreign government, its citizens should be permitted to acquire up to a 49 percent voting stock interest in a U.S. airline, providing extra capital for this U.S. industry.

The past year has brought us to what some might view as a "new crisis" in commercial aviation in the United States. However, this tailspin has been going on for the past four years. You may recall the names Midway, I know Mr. Hinson will, but others such as Pan Am, Eastern, People Express, Frontier, Braniff, Republic, Air Florida, and National. These airlines are no longer in business. All either merged into a larger carrier or shut down operations completely. With the passing of each of these carriers, this nation's airline industry has lost tens of thousands of jobs.

In a marathon session between airline leaders and the Presidential Airline Commission in June, airline leaders testified before the commission that the industry has lost \$10 billion since 1990, and the financial hemorrhaging continues. While not all the news is bad, the prospects of the future will not improve unless steps are taken to address some of the financial and structural problems confronting the industry.

I had the pleasure of serving as the Ranking Republican on the Aviation Subcommittee in the Senate for four years, and had the opportunity to study, discuss and hear testimony from many well qualified experts and representatives in the airline industry. More recently, testified before the National Airline Commission on some of the problems confronting the aviation industry. I also was able to hear and read the testimony of other witnesses before the Commission. Every domestic airline executive who spoke to the Commission said the industry is over burdened by taxes and fees that are difficult to pass on to consumers.

I agreed with Transportation Secretary Federico Peña when he stated he was not in favor of going "back to the old days of regulation". The promise of deregulation then, which I believe is still valid today, was that airlines unfettered by government over-regulation would compete freely, providing the consumer with better service and lower fares. Why this has not happened is what I want to discuss with you today. But, let me also say that if true competition can not be achieved then Congress will press for reregulation.

TRANSPORTATION FUEL TAX

Let me point out, that yesterday the Presidential Airline Commission announced that the greatest help we can give the airline industry—tax relief. Every domestic airline executive that I have spoken with has said the industry is over burdened by taxes and fees that are often difficult to pass on to the consumer. Several months ago, Representative Norm Mineta blasted the Reagan and Bush Administrations when he said, "whenever there was a problem, the Department of Transportation felt, "Let the marketplace do its thing", "This Administration" he added "will be much more proactive."

I actually was pleased with Norm's words—but what I did not know was that the Administration's response would have been to increase the taxes on this already overtaxed industry—not reduce them. Tax-related fare adjustments are costing the industry \$1 billion a year. It seems irrational to me, to pile one more tax on the ailing airline industry which will drive it several more billion dollars into debt.

Mr. Chairman, we have all heard testimony that an imposition of an additional tax burden on the airline industry, such as the transportation tax currently under consideration, will only exacerbate the industry's financial problems. If this additional burden on the industry could be passed on, it would undoubtedly result in higher prices for air transportation, less traffic and most importantly, a substantial loss of jobs. An industry general rule of thumb is that for every 1 percent increase in ticket price causes a decline of .7 percent in passengers. Consequently, the reluctance of passenger to pay price increases results in taxes and user fees reducing revenues.

Furthermore, it is not as though this industry escapes paying its fair share of taxes. In addition to income, property and other taxes, U.S. airlines pay a number of additional taxes and user fees. Last year, the airline industry and airline passengers paid a total of \$19 billion in federal airline passenger-related taxes and user fees. For example, last year the airline industry and airline passengers paid the following federal passenger related taxes:

10 percent Domestic Ticket Tax, \$4.5 billion; \$6 International Departure Tax, \$225 million; \$5 Customs User Fee, \$120 million; \$5 Immigration User Fee, \$210 million; \$1.45 Agricultural Inspection User Fee, \$74 million; Airport Passenger Facility Charge, \$11.3 billion; Payroll Taxes (FICA, Medicare and FUTA), \$1.5 billion; Alternative Minimum Taxes (AMT), \$60 million; and AMT Credit Carryover at end of 1992, \$673 million.

It is a small wonder, then, that the airline industry has been suffering. While the transportation tax proposal in the Senate differ, the end result is all the same—a weakened economy due to further job losses. The Senate Democrats agreed to exacerbate the airline's problems by imposing a new 4.3 cents-per-gallon tax on transportation fuels to replace president Clinton's broad-based energy tax.

A tax on transportation will cause people to fly less, drive less, cancel vacations and cut back business trips. This will reduce spending, slow recovery and cost jobs throughout the economy. One such estimate in the airline industry is that a gasoline tax like the one currently proposed would cost the airlines 26,500 jobs because of an estimated reduction of 150 flights and the loss of 4.7 million passengers per year.

This tax will also hit hard in Arizona. By one estimate even the more moderate gasoline tax proposed in the Senate would still cost America West approximately \$15 million each year. This year, America West earned a first quarter profit of \$2.1 million. If this were annualized, it would earn \$8.5 million for 1993. This is only two-thirds of the money they'll need to pay their new tax bill—leaving the airline with about a \$6.6 million shortfall and completely wipes out the profit they need to get out of Chapter 11 bankruptcy. America West hardly needs this kind of "help" from the federal government as they fight to emerge from Chapter 11 protection.

The effect of the transportation tax in Arizona will likely be even more broad ranging than the problem for America West. To the extent that airlines are able to pass the costs on to consumers, they will undoubtedly fly less, cancel vacations and cut back business trips. The full impact in Arizona and the rest of the U.S. is still unknown but the "domino effect" as to the adverse impact on employment and on economic recovery is quite broadly felt. For instance, travel and tourism in the U.S. will generate nearly \$800 billion in gross output in 1993, or more than 5.7 percent of GDP, and create employment for 8.8 million Americans—more than 7 percent of the total work force. Each year, with the arrival of many visitors to Arizona during the winter months, the impact of the airlines as the driving force of the travel and tourism industry is fully felt.

What is particularly tragic is that this additional burden is being imposed on the airline industry to support substantial new government spending. Proponents have said they want to do all he can to help the airlines, but with friends like this, the industry certainly doesn't need to worry about its enemies.

The answer for the airline industry is fewer taxes, not more. A new tax on transportation fuels is misguided. Only by helping our nation's air carriers improve their fiscal health can we hope to maintain a competitive airline industry and create new American jobs. Unless we think we can do without a domestic airlines, we should do without a transportation fuel tax.

A STRONG COMMERCIAL AIRCRAFT INDUSTRY

Another very important area of concern to me is maintaining a strong commercial aircraft industry. The airline industry is absolutely critical to the health of the United States economy. It is imperative this Commission, the Administration and the Congress show strong leadership in this matter. We owe it to the highly skilled workers who build the high technology planes that have made the United States the leader in the aerospace industry.

As companies on the leading edge of technology development, aerospace firms contribute substantially to our competitive strength in a wide range of industries. know it is clear to everyone on this commission that aerospace advancements have helped spur innovations and productivity in many other business sectors.

The aerospace industry is the nation's leading manufacturer exporter. In 1991, the aviation industry sold \$68.6 billion worth of aircraft, aircraft engines and parts. Exports of \$45 billion in 1992 produced a trade surplus of \$31.4 billion. But sales in 1992 reflected a dramatic decline from 1991's sales. The recent decline in aviation industry sales is the result of defense spending cutbacks and sluggish economic performance.

The industry's backlog has also decreased to \$214 billion in 1992 from \$235 billion in 1991. Due primarily to the financial problems of the airline industry, orders for commercial aircraft fell off by more than 25 percent in 1991.

These effects are felt most harshly in the pocketbooks of those families who depend on the aviation industry for jobs. Aerospace manufacturers were forced to cut 130,000 jobs in 1992, a decline of 11 percent. Estimated job losses of 10 percent in 1993 will drop total industry employment to 942,000. This would be the first time in 15 years that aerospace jobs would fall below one million.

In the past, the aerospace industry might have turned to the military sector to see it through a slump in airline orders. However, with the end of the Cold War, the Defense budget is being cut dramatically. For the U.S. aerospace industry, the military is no longer a guaranteed market, nor is it a reliable source for R&D funding. The decline in the market is plainly evident. Foreign and domestic deliveries of new military aircraft in 1991 is down 14 percent from 1990 totals.

When military procurement was growing, much of the risk of developing new technology, from prototype through operational aircraft, was covered by Government contracts. In many cases, technology developed for the military would be incorporated into commercial aircraft, including Boeing's 707 and 747 aircraft, Douglas' DC-9 and DC-10, and Lockheed's L-1011. I believe that this traditional stimulus for commercial aviation development is in danger of disappearing in the post Cold War era unless we can emphasize and focus the aerospace industry through these difficult times ahead.

Let me make it clear that I am not suggesting that Government subsidize the aviation industry. Each company or industry bears ultimate responsibility for market success or failure. U.S. manufacturers should be challenged to invest in new applied technology, new equipment and processes, and in their employees; improve productivity; provide the best quality; and produce competitively priced products. However, the government should foster an environment in which the industry can prosper.

Contrast this to the constant government support for the Airbus. Over the last 25 years, the governments of France, Germany, Spain, and the United Kingdom have provided massive subsidies to their national company partners in the Airbus Consortium to aid the development, production and marketing of large civil aircraft.

Although the exact figure of how much funding Airbus has received directly from the European Community support is unknown — one estimate places that figure at \$26 billion between 1971 and 1989. As of December 1992, Airbus has captured an estimated 33 percent of the worldwide commercial aircraft industry and 44 percent of the U.S. market. Unthought of a decade ago, Airbus has replaced McDonnell Douglas as the second largest aircraft manufacturer in the world.

PRODUCT LIABILITY

Probably my greatest concern is the impact of product liability laws on the aerospace industry, especially the general aviation industry.

As I travel throughout Arizona I hear many pleas from general aviation pilots who have seen the demise of a once thriving industry in the United States. In an industry heavily dominated by the concerns of airlines, the needs of the general aviation industry must not be ignored. There are several critical issues affecting the financial health of general aviation, including proposals to increase registration fees and energy taxes that could cripple this aviation sector. Product liability has been

the single greatest obstacle to the success and survival of the American light aircraft industry.

Production of new general aviation aircraft has plummeted from 18,000 just a few years ago to 656 last year. Industry employment has been cut in half. Cessna Aircraft, which used to produce nearly 9,000 aircraft a year, has not produced a single or twin-engine piston powered airplane since 1986. Piper Aircraft is in bankruptcy, largely due to product liability costs.

The dire circumstances of this previously healthy industry has serious consequences. If we do not provide new training aircraft for our future pilots, what will happen to our air transportation system? The average age of the single-engine aircraft is now 27 years. Increased foreign competition is targeting the U.S. marketplace with the sale of a great number of general aviation airplanes.

The general aviation industry is intensely regulated by the federal government. Every stage of design, production and testing is scrutinized by the Federal Aviation Administration. The general aviation industry is in dire need of a uniform federal standard of liability to dovetail with the existing system of federal regulation. In a meeting recently with the President of Cessna, Mr. Russ Meyer, a distinguished member of Presidential Airline Commission, he told me that the company would resume production of piston powered aircraft if the legislation introduced this year by Senator Kassebaum, of which I am a cosponsor, was approved by the Congress.

ANTI-COMPETITIVENESS (PREDATORY PRICING, COMPUTER RESERVATION SYSTEMS AND SLOTS)

For several years now, I have tried to "level the playing field" for airline competition by proposing aviation legislative initiatives. Last year, American, United and Delta Airlines combined, lost \$4 billion dollars during the predatory pricing tailspin of last summer. I said it then and I will say it again, what we witnessed last summer was not simply a new round of fare wars, but a determined and thinly disguised effort to destroy an entire tier of ailing domestic carriers in the U.S.

An aviation industry dominated by a few powerful carriers is definitely not in the interest of the American public, and it should not be accepted as a natural result of market forces by this Commission or the Administration. The accelerating pace of concentration demands that the Congress take a decisive role to enact a series of specific and eminently justifiable measures to eliminate anti-competitive forces in the industry.

Fifteen years ago the Airline Deregulation Act spoke explicitly about protecting the public interest by preventing "unfair, deceptive, predatory, or anti-competitive practices in air transportation, and the avoidance of unreasonable industry concentration." Regrettably, the public interest has been virtually ignored by the Congress and aviation policymakers. To fail to correct this error when we're experiencing the very types of egregious practices the federal government promised to prevent, will likely be the death knell for vigorous competition in the airline industry for decades to come.

We need only look at the disturbing path the airline industry has taken since 1985 to be forewarned of what the future will be like should we fail to act soon. Just eight years ago, ten airlines accounted for 80 percent of the U.S. market. Today, five airlines control this same share of the market, and further delay and inaction at the federal level will definitely make things worse.

I do my fair share to actively support the airline industry, traveling back and forth every weekend between Phoenix and Washington, D.C. Because of this amount of flying, no one is more appreciative of inexpensive air travel. As a matter of fact, cut-rate ticket prices are a welcome bargain for travelers, but their value will become a bitter memory if predatory pricing strategies enable the industry leaders to effectively become the industry controllers. We have seen the effects of oligopolies in numerous industries in the U.S. and in foreign markets, and they do not bode well for consumers interested in low fares and increased options for air travel. Simply put, fewer air carriers will mean higher ticket prices, fewer travel options, and an impenetrable dominance of the market by the few remaining airlines.

Last year, the Department of Transportation reported that consumers were charged an average of 21 percent more for flights out of hub airports that are dominated by one or two airlines, as compared to flights from airports where competition is stronger. Airports where this inflated "hub premium" is charged to air travelers were estimated to comprise 10 percent of the total U.S. market. We can undoubtedly anticipate more of this type of ticket pricing if industry consolidation continues unabated.

Over the years, while I was ranking member of the Aviation Subcommittee, testimony by the General Accounting Office, Department of Justice, and the Department

of Transportation identified two major factors contributing to concentration in the industry: airline ownership of computer reservation systems (CRS's) and slot controls at four of the nation's busiest airports.

For many years, airline ownership of CRS's cost consumers between \$500 million and \$1 billion a year. Similarly, an analysis by the GAO found that by excluding new entrants, slot controls lead to higher fares at the four slot controlled airports: Washington National, Chicago O'Hare, and New York's Kennedy and La Guardia.

DEREGULATION

Clearly, these anti-competitive forces are choking airline deregulation. Let me make it perfectly clear, however, that I am not for re-regulation of the airline industry. De-regulation is not the root cause of the airline industry's problems. Putting government back in the business of rendering decisions about airline routes and rates is not the solution to the airlines problems.

To the contrary, re-regulation would work against the long-term interests of the airlines and their customers. It would put the airline industry back on a cost-plus basis, with costs determined by the least efficient carrier and with little incentive to keep costs in check—a situation similar to what we have in the U.S. health care industry. Air fares would have to rise significantly at the very time that the industry should be doing every thing it can to make flying more affordable.

Having said this however, let me point out that continuing in an atmosphere absent of true competition by some in the airline industry—will force the Congress to take matters in their own hands and re-regulate segments of the industry to stop once and for all—anti-competitive practices.

FOREIGN INVESTMENT

Finally, continuing on my theme of building a "level playing field," the U.S. airlines want the government to do a better job pursuing opportunities for them in the international marketplace—and by that I mean equal opportunities. Too many international markets remain highly restricted and often are tilted in favor of the national carrier. Additionally, foreign investment can be one way for the airlines to meet it's capital needs. The GAO has reported that the best source of capital for struggling U.S. airlines is increased foreign investment. The GAO also believes that the current 25 percent cap on foreign ownership of U.S. airline's voting stock has chilled foreign investment. A key question in the debate over foreign investment is the status of our bilateral aviation treaties with the home countries of those wishing to invest.

To this end, in June the Transportation Department missed a "golden opportunity" to test the resolve of the U.S./U.K. aviation bilateral agreement. In March, Secretary Peña cleared the way for British Airways to buy 20 percent voting stake in USAir for \$300 million, on condition that USAir sell off three U.S. to Britain air routes. supported Secretary Peña's decision of the USAir/British Airways transaction, however, it was with the hope that the U.K. would soon reciprocate with market-opening initiatives of their own. felt, let's take the British at their word here. I firmly believe that the U.S. missed a "golden opportunity" to test the British commitment to immediate liberalized access.

I truly believe the aviation industry needs to be a global industry to survive in the international market. In that regard, I urge the FAA to recommend steps to the Congress towards the development of a U.S. international aviation strategy that will increase our airline carriers' access abroad. That strategy should be pragmatic, not theoretical. It should identify sound economic opportunities for our airlines which will lead to strong domestic job growth, and it should chart out a definite course by which U.S. negotiations can secure those objectives. This action we must move on immediately.

Thank you very much for indulging in my long statement, Mr. Chairman. I look forward to hearing from Mr. Hinson.

The CHAIRMAN. Very good. Senator Pressler.

OPENING STATEMENT OF SENATOR PRESSLER

Senator PRESSLER. Mr. Chairman, I thank you very much.

I am concerned about many of the issues that have been raised here today. I am concerned about the predatory pricing legislation, loan guarantees for the purchase of the new stage 3 aircraft, foreign investment in U.S. airlines and the relationship between such

investments and the rights of U.S. and foreign carriers under international aviation treaties, aviation industry compliance with new environmental standards, and the continuation of the essential air service. I am also very concerned about air safety, both of the flying public and in private planes.

One thing that I am very worried about is the relationship between the National Transportation Safety Board and the FAA.

As I understand it, letters of warning originate in the NTSB and are sent to the FAA. In about 90 percent of the cases, a directive is issued. Sometimes the letters are sent back. I am wondering what the standard of safety is for small aircraft safety.

Also, I have a feeling that both the National Transportation Safety Board and the FAA are two bureaucracies that don't normally have the light of a lot of publicity on them. And I hope that they are functioning in a prompt way as they exchange those letters.

My interest in this, of course, is spawned by the crash that took the life of our Governor. I know that some accidents happen. There is a strong feeling among people who followed that accident about two letters of warning regarding the Hartzell propeller. Neither one was utilized.

As recently as March of this year, the NTSB urged an examination of similar aircraft in order to prevent what its chairman called a catastrophic accident; yet, the FAA did not act.

There have been other examples of situations where the FAA had warnings from the NTSB and they did not act. So, we have to find what the standard of safety is, what it is that we are looking for here, not only in private aircraft, but also for the safety of the flying public.

As our airlines become more clogged—or at least they seem that way when I fly home—the issue arises about the safety of the flying public at airports where there are long lines of planes taking off.

And I know there are a lot of people working very hard to do their jobs well, but the FAA Administrator will be at the center of air safety in the United States.

I have a number of questions that I wish to ask you, and specifically about what will be your No. 1 priority, which I think should be safety.

I will need from you the assurance that the FAA, under the new administrator, will put safety first and will perform its safety functions to the fullest extent of the law. Ultimately, this means that the FAA should stop reacting to accidents and should start preventing them.

So, with that, I have a number of questions I wish to ask. And I will await my turn.

The CHAIRMAN. Very good.

The committee is fortunate to have assigned, as a new member, Harlan Mathews of Tennessee. Senator Mathews is long on common sense and dedication to public service.

And we welcome you to the committee and recognize you now.

OPENING STATEMENT OF SENATOR MATHEWS

Senator MATHEWS. Thank you, Mr. Chairman.

The CHAIRMAN. Pull that button back there. There you go.

Senator MATHEWS. It is a very real pleasure for me to become a member of this committee and to have the opportunity which is afforded one through this to be of service to his State and to the country.

I want to welcome Mr. Hinson here this morning.

I would like to reserve the opportunity of submitting for the record a statement with respect to his interests in the FAA and also with a question or two.

This being my first meeting of the committee, I did not know really what to expect. And as a freshman, I did not want to come in with a bundle of papers to read or things to do. I wanted to get my feet sort of solid on the ground before I started out.

But the airline industry is one, Mr. Hinson, that plays a big role in the State that I represent. We have two hubs. Northwest has a hub in our State in Memphis. American has one in Nashville. We have Federal Express, which is one of the largest nonschedule lines operating in the world.

A lot of our commerce, a lot of our business depends upon the success and the opportunity for airlines to move freely and safely across our State and across our country.

I want to be one of your biggest supporters. I want to be helpful. And I look forward to working with you.

Thank you, Mr. Chairman.

The CHAIRMAN. Very good.

Senator Inouye.

OPENING STATEMENT OF SENATOR INOUYE

Senator INOUYE. Thank you very much, Mr. Chairman.

I wish to join my committee in welcoming Mr. Hinson.

As you know, sir, Hawaii is dependent upon air travel. Tourism is our major industry—92 percent of our cargo is carried by aircraft. Without airlines, we are out of business. And so you are very important to our lifeblood.

Having said that, I think, Mr. Chairman, we are extremely fortunate in having Mr. Hinson as the FAA Administrator. He comes to Washington with an overabundance of experience in airline management.

He knows the ins and outs of the industry itself, but equally as important, he knows the nuts and bolts about aircraft construction. And that is very important to us, because of safety concerns.

And so I congratulate the President of the United States for having the good sense to appoint Mr. Hinson. And I think, if we may, we should expedite his clearance and approval.

The CHAIRMAN. Thank you. Senator Danforth.

OPENING STATEMENT OF SENATOR DANFORTH

Senator DANFORTH. Mr. Chairman, thank you very much.

Mr. Hinson, welcome. I am delighted that you have been nominated for this position. And I look forward to working with you.

The CHAIRMAN. Very good.

Senator FORD. He said yes.

Senator INOUYE. I have questions, also.

The CHAIRMAN. Yes.

Senator FORD. He said yes when he was called on.

The CHAIRMAN. Congressmen Rostenkowski and Lipinski both wanted to be here.

We are very pleased that our senior Senator, Senator Simon, is here to present the nominee. Senator Simon.

**STATEMENT OF HON. PAUL SIMON, U.S. SENATOR FROM
ILLINOIS**

Senator SIMON. I thank you, Mr. Chairman.

Actually, I came to welcome Senator Mathews to your committee here. [Laughter.]

The CHAIRMAN. Surely.

Senator FORD. Will you tell Senator Mathews, with our chairman, to always expect the unexpected? [Laughter.]

Senator SIMON. I am pleased to be here. You have outlined some of the problems of the industry, whether it is the general aviation, commercial, the financial problems, the safety problems mentioned by Senator Pressler.

And there is no question that we face major problems. Senator Danforth and I work on some problems in the St. Louis area. I have been working on problems at O'Hare and safety problems in the Chicago area.

We need a person of uncommon ability at this particular juncture in the history of aviation in our country. And we have, in David Hinson, a person of uncommon ability.

The reality is he knows—as Senator Inouye has pointed out, he knows the construction end. He is a pilot. He headed the—he was the chief executive officer of Midway Airlines, which would have continued to go but for the sudden escalation in the fuel prices that really hit many airlines.

He is a person who understands the business side. He understands where we are, where we have to go. I have worked with him on a great many things. I have been tremendously impressed.

Real candidly, I called the White House some time ago and said, "If you are looking for somebody who has the political credentials, David Hinson is not the person. If you are looking for someone who can really do the job for the Nation, you could not do better than Dave Hinson."

And I think it is to the credit of the President that he has chosen Dave Hinson.

And I am just pleased to be here to put in a good word, Mr. Chairman.

The CHAIRMAN. Very good.

Mr. Hinson, I think we are also pleased to be graced with the presence of your wife, Mrs. Ursula Hinson. She is in the audience.

Mr. HINSON. Yes, sir. May I introduce my wife, please?

The CHAIRMAN. Yes. Very good. Good gosh, she has not been in Washington long, sitting way back there. [Laughter.]

Once you get confirmed, she will probably try to grab the microphone from you. [Laughter.]

That is the way it works. [Laughter.]

We welcome you, Mr. Hinson, to the committee. And we will be glad to hear from you at this point.

STATEMENT OF DAVID RUSSELL HINSON, NOMINEE, ADMINISTRATOR OF THE FEDERAL AVIATION ADMINISTRATION

Mr. HINSON. Mr. Chairman, thank you very much for your generous welcome.

And, members of the committee, thank you very much for your welcome this morning.

I have a very brief statement that I would like to read with your permission, Mr. Chairman.

The CHAIRMAN. Surely.

Mr. HINSON. I welcome the opportunity to appear before the committee today on my nomination to serve as Administrator of the Federal Aviation Administration. I am deeply honored to have been nominated by President Clinton for this position.

I appreciate very much your willingness to schedule this hearing in such a timely manner in order to consider my qualifications for this position.

During my years of experience in aviation, I have developed high respect for the job done by the FAA. Safety has always been that agency's primary mandate and highest priority. I assure you that, if I am confirmed, safety will remain the FAA's top priority.

Few areas of industry are as dynamic as the aviation industry. Throughout its history, the FAA has managed to adapt to rapid changes in order to provide the safety and operational services upon which the American traveling public depends.

In recent times, the United States and the international community have experienced particularly dramatic changes that directly affect the aviation industry and, in turn, the FAA.

Over the past decade, the airline industry has gone through a protracted cycle of expansion and contraction, continuous route changes, services to new and expanded hubs, and changes in aircraft types and sizes.

A new generation of state-of-the-art air transport aircraft is under development, with the need for certification by the FAA's technical experts. A new generation of navigation technology will also be coming on line.

The international aviation environment has experienced significant growth as well. Today, more than ever before, the U.S. aviation system is an integral part of a global system. Globalization in aviation has become a reality.

The end of the cold war has brought even more change and, with it, challenges and opportunities. Air routes can now be established over vast land masses that were formerly offlimits.

There are new opportunities to convert downsized or closed military bases to civil aviation use to meet growing capacity needs.

And manufacturers who relied heavily on the development and production of defense products must now look to the civil sector. For example, NASA and the FAA are working with manufacturers to investigate the technical and economic feasibility of a high speed civil transport aircraft.

Satellite technology for air navigation is also a reality, holding great promise for revolutionizing the world's air traffic control systems.

The potential benefits this new technology offers to the aviation community argue for the earliest feasible deployment and call for an aggressive FAA program to help reach that objective.

The FAA has always been, and today remains, the world's foremost civil aviation authority. I would just like to read that sentence again, Mr. Chairman.

The FAA has always been, and today remains, the world's foremost civil aviation authority, at the forefront of international standardization and technical improvement.

The FAA's challenge is not only to adapt to the kinds of changes that are transforming the aviation environment, but to anticipate and, to the extent possible, shape the future evolution of aviation.

FAA cannot afford to play catchup, if we are to respond to the dynamics of a changing world. It may be proper to consider strategic alliances between the government and the private sector in aerospace as international competition becomes more intense.

Increasing cooperation with industry and the international community, improved planning, and an active research, engineering and development program are key to managing change effectively, while recognizing the realities of an austere budget climate.

If confirmed, I will work hard to provide direction and leadership for the FAA to meet the many challenges its faces. I assure you I will be a strong advocate for American aviation.

I will work closely with the Congress to assure adequate resources for the FAA to do its job. The FAA's foremost mission will remain the safety of the traveling public.

My early experience impressed upon me the importance of the FAA's safety mission when, as a young naval aviator, I was guided safely back to base by an FAA radar after losing the navigation equipment on my aircraft.

Since that time, a longstanding working relationship with the agency has only enhanced my great respect for the people of the FAA and the capable way in which they meet their far-reaching safety responsibilities.

I have every confidence in the agency's ability to continue to meet these responsibilities and to meet inevitable, dramatic changes.

In closing, Mr. Chairman, I look forward with great anticipation to the chance to serve as FAA Administrator. If confirmed, I pledge to you my best efforts to provide the American traveling public with the safest and most efficient air transportation system possible.

I also commit to working closely with you and other aviation leaders in the Congress on the many challenges that face us.

Thank you, sir.

[Biographical data of Mr. Hinson follows:]

BIOGRAPHICAL DATA

Name: Hinson, David Russell; address: 114 Rail Road, P.O. Box 1891, Ketchum, ID 83340; business address: Douglas Aircraft, 3855 Lakewood Boulevard, Long Beach, CA 90808.

Position to which nominated: Administrator, Federal Aviation Administration.

Date of birth: March 2, 1933; place of birth: Muskogee, OK.

Marital status: Married; full name of spouse: Ursula Berta Hinson; names and ages of children: Eric Peter, 32; Spencer David, 31; and Heidi Ann, 29.

Education: University of Washington, 1951-54, B.A. General Studies; U.S. Navy Flight Training, 1954-55, Naval Aviator; University of Washington, 1960-61, Business; and Stanford University Graduate School of Business, 1972, Executive Program.

Employment: 1954-59, U.S. Navy, Pacific Fleet, Carrier Pilot; 1959-62, Northwest Airlines, Airline Pilot; 1962-63, United Airlines, Flight Instructor; 1963-73, Hughes Airwest, Executive Assistant to General Manager; 1973-85, Hinson-Mennella, Inc., President and CEO; 1985-91, Midway Airlines, Chairman and CEO; and 1991-93, McDonnell Douglas, Executive Vice President.

Government experience: Oregon-1975, Appointed by Governor Straub (D) to Citizens Commission on Liquor Control; and Oregon-1980, Appointed by Governor Atieyh (R) as Commissioner on Economic Development Commission for Oregon.

Political affiliations: Oregon-1984, State Committee to Reelect Reagan-Bush. Financial contributions: Bill Lipinski, Congress: 1986, 1987, 1988, 1989, 1990 (\$100 each year); Marty Russo, Congress: 1986, 1987, 1988, 1989, 1990 (\$100 each year); Mayor Richard Daly, Chicago: 1988, 1989 (\$100 each year); Denny Smith, Congress: 1983, 1984, 1985 (\$100 each year); Neil Goldschmidt, Mayor, Portland, OR: 1984, \$100; Paul Simon, Senator: 1986, \$100; and Reagan-Bush: 1984, \$1,000.

Memberships: University of Chicago, Member, Advisory Board, Graduate School of Business; University of Washington, Member, Advisory Board, Graduate School of Business; Lewis & Clark College, Trustee, Board of Trustees; Naval Aviation Museum Foundation, Member, Board; Society Air Safety Investigators, Member; and United Cerebral Palsy Drive, Chicago, Chairman (1987-88).

Honors and awards: Hughes Airwest Award of Merit; Illinois Vietnam Veterans Association "Man of the Year" (1989); Stanford Graduate School of Business, Midwest Business Man of the Year (1989); and Illinois Business Roundtable, elected 1989.

Published writings: None.

The CHAIRMAN. Mr. Hinson, when we talked in these glowing terms up here in Washington about we are No. 1, that we are the world's superpower, I cannot help but think that we also are the world's superbroke, and that the first thing we had to do is borrow \$1 billion at 8 o'clock this morning to keep the doors open.

Now, when you say the world's foremost aviation authority at the forefront of international standardization and technical improvement, we know that we are behind on the traffic control modernization.

We keep asking administrators to give us a game plan. And that will be my request.

And I will yield to our chairman, Senator Ford, who is given leadership in aviation here on the Senate side.

What happens to the FAA is that people put their money into a trust fund. I keep paying into it every week when I travel by plane, and yet my money is used for something else. It is not used for air traffic control modernization, or safety, or any of the important programs of the FAA. Instead, it is used to mask the deficit. There is no deficit in the Aviation Trust Fund. In fact there is a \$4.4 billion surplus, and they are cutting your budget.

So, as a Senator, I know that we are going to be in conference on the Transportation appropriations bill right after Labor Day fighting to get you the money you need. I want to be fortified with the facts.

You get in there and work out a game plan that you expect, as Administrator, to implement in general terms for the next year, the next 2 years or the next 3 years, whatever you wish or think is realistic in a short period of time. That way we can properly allocate those funds, because I know we should not be cutting \$300 million out of the AIP program, when we are rebuilding our airports.

That is not an exercise in fiscal prudence. It is taking your money and running it after somebody else's deficit. So, on that basis, you give me that plan or tell me that the Secretary of Transportation says you cannot do it or the President says you cannot.

I want to know why and how so when we come back here after Labor Day, I have something in front of me, as a member of the Appropriations Committee, that I can argue to continue to get your job done.

Mr. HINSON. Yes, sir. I will do that.

The CHAIRMAN. Thank you very much.

Senator Ford.

Senator FORD. Thank you, Mr. Chairman.

I have several questions for the nominee. And then I have submitted some questions that he will respond to in writing, which are not necessary for my support as the Administrator of FAA.

And this includes some of the questions that we have discussed by our colleagues who are not here this morning, Mr. Chairman.

Mr. Hinson, the FAA procurement process continues to be a constant frustration. I personally do not understand why it takes three to 5 years to get off-the-shelf equipment like an instrument landing system that we refer to as ILS, equipment acquired and installed in a reasonable timeframe.

My experience in trying to help airports, particularly in Kentucky, is that the process is slow, and it is inefficient, and under those two circumstances make them expensive.

What we see are excessive delays in the process which get in the way of important safety capacity and efficiency improvements.

Would you agree that if the FAA acquired and maintained an inventory—if we could use that term or use that proposal—of navigation aids to be available to airports when they are approved, there could be considerable costsavings to project sponsors and the Federal Government, and the acquisition and installation process could be shortened?

Mr. HINSON. Senator, in any business, the careful control of inventory is a very important part of managing the financial efficiency of that organization.

I am not intimately familiar with the inventory policies at the FAA. So, I cannot tell you for a fact whether we do or do not have inventory on the shelf with respect to, say, the ILS.

I can assure you, though, that if I am confirmed, that one of my early interests will be to determine as a function of the procurement process exactly what our inventory policies are, because, as you suggest, they can play an important role in reducing our costs and making us more efficient.

Senator FORD. All right. Mr. Hinson, you know, there is a lot of enthusiasm by aviation users for navigation aids like LORAN-C and instrument landing systems. As I understand it, the global positioning satellite, the GPS—

Mr. HINSON. Yes, sir.

Senator FORD [continuing]. Is compatible with these technologies. And substantial investment has already been made by the Government and aviation users to these systems.

I understand the excitement. I have been there before on some other projects with the capabilities of GPS, but I fear we might

have another MLS situation where the FAA attempts to stop all installation of other navigation systems years before the new technology is ready.

Does it make good sense to continue taking advantage of these landing aids?

Mr. HINSON. Senator, the evolution of technology on the systems available to the FAA to aid in navigation is always going to impact a decision process as to when you stop using an old technology and begin using a new technology.

In the case of MLS, for instance, the advent of GPS and the willingness of the U.S. Government to make that available to the world's users has caused us to begin to investigate its applicability for low visibility approaches, precision approaches, as a considered alternative to ILS and/or MLS.

It is my understanding that we will not really know the answer to that question for 1, 2, or 3 more years while we do the necessary research and development. There are a number of other issues with GPS as well.

In the interim, we are continuing a low level of research and development on MLS, because the European Community, among others, is intent on using MLS. And, as you know, our primary system is ILS.

I think I could answer your question, though, by simply stating that at some point, we have to make a collective decision to freeze the technology and go forward. I will look at that carefully.

Senator FORD. The problem is that if you freeze it too early and you do not use it, then the other one is not far enough along—

Mr. HINSON. Yes, sir.

Senator FORD [continuing]. That you have confidence in it. Therefore, you lose both ways. And so until you have the confidence in the new technology, I think we ought to continue to expedite those that are—or at least use those that we have confidence in.

The chairman mentioned this a moment ago, but substantial resources have been provided for the advanced automation system. We refer to it as the AAS program. The flying public has paid and expects a modern, efficient national air transportation system.

Secretary Peña has repeatedly stated that he is committed to the AAS program, and that it will meet its new time table and budget.

One of the biggest problems with this program is that no Administrator has really taken an interest, even though billions of dollars have already been appropriated. The FAA and IBM seem to be, to this Senator, to be on the right track now.

But can you assure this committee that you are fully committed to this program and that you will work cooperatively with the prime contractor to see that the program gets the high priority, at least I feel it should have, and full attention to meet its required milestones?

Mr. HINSON. Yes, sir. I will. I cannot speak for the gentlemen who were the former Administrators about their interest level in the AAS system or, previous to that, the NAS plan or the CIP plan.

But I can assure you that I have a very high interest in the successful implementation of the Airway Modernization Program.

My briefings have indicated that the FAA has set new deadlines and new milestones. And they are managing the program in a much more professional manner.

I am pleased to tell you this morning that I have been advised that the first two of those milestones have been met, the second one 10 days early up at the Gaithersburg facility. The next two milestones are 9-1 and 10-1. And I am told that those are on track and will be met as well.

This program, however, requires an ongoing, continuous, persistent, aggressive management effort by FAA, because when you are trying to build a sophisticated, complicated system of this magnitude, there are always unknowns.

And it is the unusual and the unexpected that is more normal than not in a program like this. I think the FAA is now properly sensitized to the dimensions of the management required to do this effectively.

And, Senator, it is going to be a very, very high priority of mine.

Senator FORD. I just want the attention of my colleagues on the questions and answers that are going on here.

One of the greatest problems that has been facing the FAA is that no Administrator in the last decade stayed over an average of 18 months. This musical chairs situation has always disturbed me.

And that spurred my effort to make FAA an independent agency and appoint the Administrator for 7 or 9 years or try to work it out.

And at about the time the Administrator learned the ropes and reorganized and got the chairs and the desk moved around, he is gone. And I understand you have given a commitment to stay for the President's term. And I commend you for that promise.

And one other thing, Mr. Chairman, we have not had to issue a waiver for this gentleman. [Laughter.]

Used to be, we could not get the waivers through, and we had the nominee confirmed; or we did not have the nominee confirmed, and we had the waiver through. And so it was always a problem.

I would like to commend you for that because it, I believe, will be beneficial to not only FAA but to the system. Would you like to comment on your commitment to stay on under the President's term?

Mr. HINSON. Senator, the FAA Administrator serves at the pleasure of the President and, in order to be effective, should have a very close and effective relationship with the Secretary of Transportation.

And as I said earlier, I am very flattered and pleased to have been nominated by the President. And I have already established what I believe to be a very close and effective relationship with the Secretary.

Let me conclude my comments on tenure by just saying that in any structural organization that requires ongoing management, I think it is safe to say stability is preferable to instability.

Senator FORD. I have taken too much time, Mr. Chairman. I have just a couple of others. And I will just go through those.

I am very concerned about the noise problem, as you know. And we passed a bill here in 1990 that finally gave us a national policy.

A number of the airports are convinced that they are—that they have the ability to phase out a stage 2 aircraft sooner than the national standards. I do not believe that. They have the ability to impose restrictions on their airports as to times and landings and things, but I want you to look at that very closely.

And on the letter of intent, Mr. Hinson, the House Appropriations Committee has included in the FAA budget elimination of letters of intent for airport construction projects.

As long as I have been dealing with this as Governor and now here, I know of no other way to fund multimillion dollar airport projects in any other way. Certainly, the annual appropriation process will not work. So, I hope that you will help us with the letter of intent.

And one other item—and, Mr. Chairman, as I close, last spring in an FAA authorization hearing, I inquired as to the need and cost of the Aviation Safety Journal. One year later, and several editions of the Aviation Safety Journal later, I received a response from FAA.

There has to be a cheaper way of getting the message out, Mr. Chairman. I understand the House Appropriations Committee has eliminated the funding for the publication. And I want you to know I highly concur.

It is a pretty nice piece of slick, five-color, good work, but the message is just not there. And I hope that, under your watch, the FAA will be more sensitive to the budget and environmental concerns.

I thank the chairman. I have taken too long.

The CHAIRMAN. No. Very good.

Senator Inouye is scheduled to chair another hearing. Let me yield to him now.

Senator INOUYE. Mr. Hinson, I am sorry that I cannot be here to listen to your responses, but I would like to submit to you my questions and ask for your consideration, sir.

Mr. HINSON. Yes, sir. Thank you very much.

Senator INOUYE. Thank you very much.

The CHAIRMAN. Thank you very much. And let me take some time, before some of these distinguished colleagues leave, to recognize our newly appointed Member, Kay Bailey Hutchison of Texas. We are very pleased to have her.

If you know the State of Texas, they have very important airline facilities located there. In fact, having campaigned there, you cannot get anywhere in Texas except by plane. [Laughter.]

So, we are very, very honored to have you, Senator Hutchison. And we will recognize you, as we always do here, in the order of appearance.

And since we have about 11 more members—I hope the members will limit themselves as they will.

Senator McCain.

Senator MCCAIN. Thank you, Mr. Chairman.

I had the opportunity of campaigning for Mrs. Hutchison in Texas. And we ran off the runway in one little town in Texas. So, I am very interested in your looking at some of those runways, Mr. Hinson. [Laughter.]

Mr. Hinson, a kind of a funny thing is going on in Washington today and in these couple of weeks. One of them is we have an airline commission which is appointed, as you know, to examine the ways that we can make the airline industry survivable. I believe just last summer, a \$4 billion hemorrhage took place in the industry.

And as usual, information about their recommendations are coming out. One of them will be that they be exempt from the gas tax. At the same time, there is a story in the Washington Post this morning, "Once Reviled Gasoline Tax Gains Appeal."

I will not ask you your opinion as to whether the gas tax should be passed or not, but it is, I think, kind of paradoxical that here we are, on the one hand, trying to save an industry, and one of the key recommendations will be to repeal the gas tax. And the other, of course, is that the gas tax seems to be gaining momentum.

But what I would like to ask you about is one of the recommendations that is reported this morning. It is that there will be created an independent corporation within the Department of Transportation that would take over developing and running the air traffic control system.

The corporation would have the power to raise its own funds by issuing bonds and, according to the panel, could move more quickly and efficiently than the FAA on such issues as movement of satellite-based air traffic control system. Safety functions and overall policy guidance will remain with the FAA.

Do you have any views on that recommendation, Mr. Hinson?

Mr. HINSON. Good morning, Senator McCain. I have not read the draft report of the commission. And I only, like you, perhaps have read the newspaper this morning. So, I do not have a clear understanding of their recommendation.

If I were to speculate—and I have been told I should not, but I will anyway. If I were to speculate, I think their view is to provide a constant and known source of funding, leaving FAA within DOT, but actually setting up some sort of special corporation which has the authority and the ability to issue bonds and do other financing. Whether or not that is a good idea, I do not know.

Senator MCCAIN. Well, I went down and spent a couple of hours with them. And I was very impressed by the Commission, the expertise and the talent and dedication involved there.

What they feel, what they are reflecting is the information and the testimony before that commission that the FAA moves very slowly, is inefficient, and has failed to respond to the requirements for modernization of the air traffic control system for a whole variety of reasons.

And I wonder if you at least agree with their conclusions that there have to be improvements made, if not specifically that recommendation to create an independent corporation.

Mr. HINSON. Yes, sir. I do agree with that. I do think there are necessary improvements to be made. And I believe that is one of the reasons that I am sitting here.

Senator MCCAIN. Thank you. At risk of provoking another discussion which has gone on for many years on this committee, I would like to point out to you what you already know far better

than I do, and that is that the commercial aircraft orders have been off 25 percent in 1991.

The aerospace industry is in a slump. The product of new general aviation aircraft has plummeted from 18,000, just a few years ago, to 656 this year. Employment has been cut in half.

Cessna has been out of the twin-engine piston aircraft business since 1986, from 9,000 at its peak. The average age of single-engine aircraft in America is 27 years.

The commercial aircraft industry in America is becoming so desperate that they are willing to settle just for a limitation on a period of repose of 15 or 20 years.

Do you have any views on that?

Mr. HINSON. Well, Senator, as you know, in our brief discussion, I spent a little over 13 years or so active in general aviation. I know the industry quite well, and as you correctly point out, it is, to use the right word, a disaster. We have gone from, as you have said, 17,000-odd airplanes, down to 600. I know of no other viable industry that could sustain that sort of punishment and continue.

Specifically, to your question, I am going to suggest to you I am not a lawyer. I am not intimate with all of the issues of product liability, and whether there should be repose at 10, 15, or 20 years, or repose at all, I cannot say. I know that on this very committee there are differences of opinion on that.

I would hope that perhaps a proper compromise could be reached that would hopefully satisfy the two views. Certainly, anything that could be done that was constructive, and not harmful, and protected interests, would be very beneficial to the general aviation industry.

Senator MCCAIN. Thank you, Mr. Hinson. I do not want to belabor the point, but the fact is that general aviation in this country, the business has been taken over by foreign manufacturers; right?

Mr. HINSON. To some degree. Yes, sir.

Senator MCCAIN. The statistics are there. And clearly we have to address the issue, which Congress unfortunately, and the past administrations failed to do so.

Finally, on a little bit of a parochial issue, we passed legislation through the Congress a few years ago, providing for quiet over the Grand Canyon and Hawaii. I do not know how familiar you are with that. We have a fairly good success in both areas, both in Hawaii and over the Grand Canyon.

I wonder if you had any thoughts on that issue in general, and whether you think that maybe we should start looking at trying to preserve the natural quiet over other national parks in America.

Mr. HINSON. Senator, I must be very candid with you and say I really have not thought about that. I know that this is a particularly sensitive issue in the Grand Canyon, and perhaps other public areas as well, particularly Hawaii.

There obviously is tension between the people who want to see our beautiful outdoors, and those who want to enjoy it from another perspective. I really do not know much about that, but I will assure you that if confirmed, I will work with you on that.

Senator MCCAIN. Thank you. Mr. Chairman, I have additional questions for the record. For the sake of time, I would like to have those submitted.

The CHAIRMAN. Very good. Thank you.

Senator MCCAIN. Thank you, Mr. Hinson.

The CHAIRMAN. Senator Pressler.

Senator PRESSLER. Thank you, Mr. Chairman. Let me begin by asking some questions. There was an Aviation Safety Commission report in April 1988. Have you had a chance to read that report?

Mr. HINSON. Senator, I may have, but I do not remember.

Senator PRESSLER. Well, they made a number of recommendations about air safety. I do have some questions. In that particular Commission, one of their discussion points involved the rulemaking process at the FAA. They say the FAA needs to improve responsiveness to safety issues. Three examples illustrate this point.

The first example involves antimisfueling and fuel tank filler opening adapters. The issue was first raised in 1970 by the National Transportation Safety Board as a result of an accident.

Although the issue remains active, in 18 years, the FAA has still not developed adequate rules to deal with this problem, even though misfueling accidents continue. Are you aware of that, or what is your reaction to that?

Mr. HINSON. Well, experientially, of course, I know that there are occasionally misfuelings of aircraft. I am not specifically aware of that recommendation or the 18-year issue that you discussed. No, sir.

Senator PRESSLER. There was an accident about 4 years ago with a group of businessmen from my State. They stopped somewhere for fuel. It was raining. And they somehow got the wrong kind of fuel put in the plane, and they crashed. There were fatalities.

I wonder if we could get a copy of that report, of that crash, to you today, or if you can get it. We will identify it to your staff. I would like a response on that, because according to this, the NTSB has been trying since 1970 to get the FAA to act.

Now, what would be the standard? Well, first of all, what can be done to prevent misfueling? Is there a way that an alarm can go off in the plane? I do not understand that technology of it.

Mr. HINSON. Well, Senator, I do not like to speak when I do not have all the facts, but normally misfueling is prevented by the geometry of the nozzles and the openings in the wings or the other fueling access place.

There has been an attempt worldwide to standardize the difference in fueling between, for instance, aviation kerosene, on one hand, and aviation gasoline, on the other hand, which is the principal problem.

I cannot give you a specific today on where we are on that worldwide or even in the United States. Most people who fly airplanes are extremely careful about fueling their aircraft and usually supervise it, but that obviously is not going to be adequate long term, and we need to get into that. I will do that.

Senator PRESSLER. OK. And we will supply you with the report.

Mr. HINSON. Yes, sir.

Senator PRESSLER. We will identify that accident report.

Mr. HINSON. Yes, sir.

Senator PRESSLER. If you could respond to that, and see if there is a way—if, indeed, the NTSB still has an active recommendation to prevent misfueling accidents.

Mr. HINSON. I can tell you for sure that a lot of work has been done in that area, but I cannot give you the current status.

Senator PRESSLER. OK. You will take that as a question for the record, and we will read your response, because I would not expect you to know right off the top of your head about this particular accident.

But if we can work together, our staffs this morning, and get the crash identified, and if you can look at it and see if we had the technology, if that crash could have been prevented, I would appreciate it.

Mr. HINSON. Yes, sir.

Senator PRESSLER. Now, according to this 1988 Aviation Safety Commission—and we have so many of these commissions in the U.S. Government. I do not know if anybody ever reads their reports. The second example they cited involved general aviation aircraft seat regulations.

In 1970, the National Transportation Safety Board made recommendations to strengthen seats in small aircraft, based on accident investigation.

After 16 years, on December 12, 1986, the FAA published a notice of proposed rulemaking in the Federal Register. On January 29, 1987, the FAA submitted the proposed final rule to the Office of the Secretary of Transportation for review. Why would it have taken that long?

Mr. HINSON. I do not know, Senator. I can find out, but I cannot answer it.

Senator PRESSLER. All right. Would you find out—

Mr. HINSON. Yes, sir. I will.

Senator PRESSLER [continuing]. Then, for the record?

Mr. HINSON. Yes, sir.

Senator PRESSLER. This is the sort of thing that this commission in 1988—this was a blue ribbon, extensive commission appointed by the President, and had several recommendations to improve the FAA.

A third example is perhaps illustrative of the range of issues, where the regulatory process could assure the public a higher level of safety at a somewhat increased cost, but has determined that the cost is not worth it.

There is ample evidence that injuries and deaths could be reduced in accidents involving air carrier aircraft, if the seat mountings were strengthened.

The so-called 16-G seat is claimed by many to be the standard which would make a significant difference, but the simplistic application of cost-benefit analysis has apparently led to a conclusion that the value of the lives saved and the injuries prevented or reduced is less than the cost of strengthening the seat mountings.

The Aviation Safety Commission, this is the 1988 President's Commission, is not taking a position on the technical merits of the 16-G seat; however, the Commission believes the FAA needs to broaden its conception and application of the cost benefit analysis.

What will be your application of the cost-benefit analysis on safety?

Mr. HINSON. Well, let me just comment, if I may, first, that all new aircraft that are being manufactured today have to be deliv-

ered with 16-G seats. The only air carrier aircraft that are not required to have 16-G seats are those that were manufactured prior to some set date, which I do not recall.

There is an effort and a procedure, as I understand it, at FAA for evaluating the cost benefit of safety-directed regulations and policies. My sense is, from the briefings I have had, it is working pretty well.

Senator, we need to continue to talk carefully to industry about the constant tug between the drive for additional safety and the costs accrued by either the manufacturer, or the carrier, or both, or even general aviation, in their aircraft. That is ongoing and will always be an ongoing issue.

I do not know intimately all of the internal policies at the FAA to deal with that, but I hope to learn them very soon.

Senator PRESSLER. According to this report, the FAA places an arbitrary value on a human life, and then it estimates the change in the probability of death or injury, multiplied by an arbitrary value of human life.

Now, properly conducted, such analysis takes into account the value travelers place in increased safety, which may be greater than just the statistical estimate of the change, and the probability of death or injury, multiplied by an arbitrary value of human life.

The total cost of such improvements are easy to measure, but the total benefits, which should include such increased factors as peace of mind, are much harder to capture fully.

What I am getting into here is I think this report illustrates what a difficult job you are going into. It sounds like cold-blooded stuff to calculate the value of human life, and the probability of death, and so forth is a part of your life.

But how does the FAA determine a safety standard, or rather, how do you—how will you analyze some of these things, especially on this probability of death, and the arbitrary value of human life, and the multiples that they use over at FAA?

Mr. HINSON. Senator, my observations, as a user and a participant for a long time, suggest to me that the policies that the FAA is using today are pretty good.

I really think they understand and have been working very successfully with the industry and the manufacturers in understanding exactly, as you suggest, this constant tug of war that goes on.

Personally, my objective, with respect to accidents and safety regulations, is zero tolerance. I mean we do not want any more accidents of any kind, period. That will be our objective, but we do have to weigh that against the economic realities that we deal with. I think that is what you are asking me.

Senator PRESSLER. But now if you feel they are doing a pretty good job, this Commission noted their near 20-year time lags in getting these rules adopted. Why would that be?

Mr. HINSON. I suspect, sir, that is perhaps just a difference in opinion between the experts at the FAA and the experts at NTSB. We are going to have those as we go along, hopefully, not very many.

Senator PRESSLER. OK. Would you, for the record take a look at page 50 of the Safety Commission report, and the examples that they cite?

Could you give some analysis of that, the refueling and the seat strengthening issues? They both took 20 years for the FAA to issue anything.

Mr. HINSON. Yes, sir.

Senator PRESSLER. It has been a long tug and pull. But this Commission, not me, concluded that it was much too slow.

Mr. HINSON. I will try to have some answers for you this afternoon, if that is all right.

Senator PRESSLER. OK. Fine.

Senator FORD. Is that the Albertine Commission?

Mr. HINSON. Pardon?

Senator FORD. Is that the Albertine Commission?

Senator PRESSLER. I think it was. Was that a good commission?

Senator FORD. I do not know. They were appointed by Burnley.

Senator PRESSLER. OK. Well, they issued a report. I have several more questions, and maybe I can take a second round, because I do not want to hold other Senators.

The CHAIRMAN. Yes. How about doing that, please, Senator? I would appreciate it, because we have several that have not—

Senator PRESSLER. All right.

The CHAIRMAN. Yes. We will have a second round. I will stick with you. Senator Mathews.

Senator MATHEWS. Thank you, Mr. Chairman. Mr. Hinson, I will be very brief, because I am not sure that the area of my real concern at this point comes under the purview of the FAA, but with the experience that you bring to the job, certainly there are some things that you could add that would be very helpful.

Normally, when I approach a job, and when I am talking with staff, one of the things that I like to point out is that one of the responsibilities that we have in this country in serving in the Senate, or in a governmental role, is that we need to look for ways to make things happen, rather than to give excuses as to why they will not work.

In the airline industry here it appears to me that we have a problem that maybe it is structural, maybe it is something that Wall Street is going to have to deal with rather than the FAA, but as you come into this job, surely you have some thoughts as to why we are losing money faster than—as the chairman pointed out when we started here, we have to borrow \$1 billion a day here in order to keep the U.S. Government going.

The airlines seem like they're borrowing a million or a billion every month in order to keep themselves going. The financial help of these airlines is tremendously important to this country. We have to find some way to make it a profitable business that can continue.

As Senator Inouye pointed out earlier, without the airlines his State is just almost isolated. Without the airlines, most of our States and people are isolated.

If you have any thoughts along that line I'd appreciate your sharing with us, not necessarily right now. I do not want to take the time, but I would like to submit a question in writing to you.

Mr. HINSON. Senator, I would be pleased to respond to you in writing or in person at your convenience at any time. I obviously have a lot of experience, some of it I would rather not have again,

with respect to the air carrier industry, but it is true that it is in serious difficulty, from a financial perspective.

I want to make that point. I think it is very important. The only real difficulty that the air carrier industry faces today is financial. They are operational. They are safe. They provide good service to a whole lot of people. They are relatively low cost, and maybe that is one of the issues, but the fact is, it is only the financial aspect of the air carriers that is in some difficulty.

I think often we tend to think of the entire industry and everything they do as being in very, very deep trouble. They are not operationally. They are not in terms of passenger care. They move a whole lot of goods and people very efficiently, and almost always on time.

When each of us experiences a flight that is late, or a piece of lost luggage, for instance, we tend to castigate the entire industry. But if one backs up and looks at the statistical inference that you can draw from looking at the overall operation of the air carriers, it is really a wonderful system. They do a terrific job moving a lot of people very, very safely.

It is the financial aspect that I believe we are all concerned about, and I share that concern. The Commission apparently is about to make its recommendation on their findings. I will read those with interest.

There have been numerous financial experts, college professors, economists, and others talking about their views of why the industry is in the position it is in. Frankly, I am not sure that anybody really has the specific or even the collective answers to that question, but I would be happy to discuss it with you, sir.

Senator MATHEWS. Thank you. There is one other concern that I wanted to mention that may be connected with this, or it may not, and that is putting ourselves on a level playing field in the international market.

A recent happening here that was of some concern to me was the USAir, British Airways sharing, or cosharing. I do not want to leave the wrong impression at all. I am fully supportive of foreign airlines bringing people into our country, and our moving into those.

There is absolutely no reluctance on my part of the foreign airlines doing business here. But when they have the opportunity to come into our country, and to coshare with an airline here, and access every market that that airline has, it just appears to me that we ought to have some sort of right to access the same markets or other markets in their area.

To fail to do so is going to further impact financially the domestic airlines here. I am hopeful, through whatever the process is, that we can open up markets both here and in the foreign lands. I do not know whether that has come within the FAA's thoughts.

Mr. HINSON. I tend to agree with your comments, Senator. That is really under the proper purview of the Secretary of Transportation and his policy people, and perhaps, to some degree, the State Department as well. I guess my only comment would be the fairness doctrine and reciprocity.

Senator MATHEWS. Thank you, Mr. Chairman.

The CHAIRMAN. Thank you. Senator Danforth.

Senator DANFORTH. Mr. Hinson, I would like to begin by asking the question that Senator McCain did not ask, having to do with the proposed fuel tax.

As you know, we are now in conference between the House and the Senate on the President's budget proposals. The House bill has a fuel tax that applies to airlines that was removed in the Senate bill.

The House bill would impose new taxes in the amount of \$3 billion over a period of 5 years on the airline industry. You and I have discussed this matter in my office. I would like you to tell us your view of the wisdom of creating a new tax on the airline industry at this time.

Mr. HINSON. Senator, the question of whether or not there should be a fuel tax, and not only for the airline industry, but for the rest of the United States, is a decision that I do not have to participate in, other than as a citizen. This distinguished group and others are going to make that decision.

Let me answer your question, if I could, from a view of what I think an economist might say, with respect to the air carrier industry. If a \$3 billion tax, whether it is a fuel tax or any other tax, is imposed upon the air carrier industry over a 5-year period, the carriers have two choices, or maybe an in-between choice.

In one sense, they do not pass it on at all, and they simply absorb it, which obviously in their current financial condition is not viable or possible.

The other alternative is to pass it on to their consumers in the way of higher ticket prices, so that they essentially collect that tax from the consumers, or maybe half and half, in which case, the consumers would pay more, and the airlines would lose more money, perhaps.

In any case, the economic impact of \$3 billion over this period of time would depress the ridership of the air carrier industry, and the resulting cashflow to the air carriers. It has to, because the market is very elastic.

So, you simply cannot put on the traveling public a \$3 billion additional charge, if, in fact, it is passed on, and expect the same level of ridership. It is probably not going to happen.

Economists would probably argue that it would drive down the ridership, and have a further impact on the negative cashflow that the air carriers are now experiencing.

Senator DANFORTH. Now, you are not an economist, but you are a person who has experience in the airline industry, and you are also a person who is experienced in the aircraft manufacturing business. You have spent your professional lifetime dealing with airlines, and the problems of airlines.

Is it your judgment, based on your own experience, that this additional fuel tax, if imposed on airlines, would be seriously harmful to airlines?

Mr. HINSON. Yes, sir.

Senator DANFORTH. Now, one of the further points that was made in the working draft that has just been issued by the Commission has to do with rolling back the ticket tax.

The present state of the airport improvement program is that the House Appropriations Committee's bill would appropriate \$1.5 billion in fiscal year 1994 for the program.

The Commerce Committee received testimony last year indicating that approximately \$60 billion is needed to meet the capital needs of our airports, and the FAA currently has an \$8 billion backlog of Airport Improvement Program grant requests.

Have you given any thought to the needs of the Airport Improvement Program, where the money is going to come from, particularly if the airlines are in distress, and if we are considering changing the ticket tax, what are we going to do?

Mr. HINSON. Senator, I read, as I said earlier, of the first indication of a reduction, a proposal to reduce the ticket tax from 10 to 8 percent in the paper this morning.

And I really have not had a chance to reflect upon how that would affect the FAA budget, and if, in fact, that occurred, how we would deal with the resultant shortfall, but I would be happy to get into that for you at the earliest opportunity.

Senator DANFORTH. It is clear, though, is it not, that there are major needs with respect to airport improvements and airport expansion, major capital needs, that have to be met? We are trying to squeeze blood out of a turnip with respect to the airlines.

I do not know what the answer is either, but I just want any general comments that you might have.

Mr. HINSON. I think you have articulated exactly one of the major issues we face, and that is how to fund a broad requirement for needs with less resources. That is going to take some ingenuity on our part.

Senator DANFORTH. Thank you very much.

Mr. HINSON. Yes, sir.

The CHAIRMAN. Thank you very much. Senator Hutchison.

OPENING STATEMENT OF SENATOR HUTCHISON

Senator HUTCHISON. Thank you, Mr. Chairman. First of all, I am very pleased to be a member of this committee. It is a committee before which I came myself when I was confirmed to be Vice Chairman of the National Transportation Safety Board, and I wanted to serve on this committee. It has not all of the issues, but a good number of the issues in which I am very interested.

Certainly, transportation has been high on my agenda since serving on the National Transportation Safety Board, as well as the communications industry, which is also so important to our country. So, I thank you for welcoming me. I am glad to be here.

Let me say about Mr. Hinson that I think his record and his experience are excellent for the FAA. I am very pleased that we have someone of your caliber who is willing to take on an agency that is very important to Americans, not only because the aviation industry is a key component of the future of our country, but the safety of our passengers is also a very important component.

Along that line, I would like to ask you what your view is of the relationship between the National Transportation Safety Board and the FAA?

Mr. HINSON. Good morning, Senator. I have asked that question at the FAA. And the answer I received is that they believe that

there is an excellent working relationship that exists with the NTSB.

And, in fact, Chairman Vogt is coming, as I understand it, to the FAA on Thursday for one of their regularly scheduled meetings to review the open items that Senator Pressler had referred to earlier.

In addition, while I was at Douglas Aircraft in Long Beach earlier in the year, I had the opportunity to sit down with the lady who—I will think of her name in just a moment—who is now the deputy at NTSB.

And she volunteered to me her views that from the NTSB's perspective, they think they have an excellent relationship with the FAA.

I had essentially two independent audits reaching the same conclusion, so I am happy to hear that. This does not mean, however, that we should not look at this very carefully. As I suggested earlier, I will do that.

Senator HUTCHISON. I think an open line, where you do have periodic reviews of the outstanding recommendations, would be very important. I understand how it is important for you to look at all of the factors, particularly when you get into regulations, and you have to take into account the stability of the airline industry.

But I do think talking about the importance of the recommendations, and which ones can be implemented on a reasonable and quick basis would be very healthy.

I just think it is important that with all of the time and effort we put into investigating aviation safety at the NTSB, that should be translated into action in as expeditious a way as possible.

The second area of concern that I have is the stability of the FAA, which has been mentioned here before. I would like to know how you view the present operating procedures at the FAA, with regard to the appointment, at the pleasure of the president, of the FAA administrator.

I am pleased that you agreed to serve the full term. But do you have on a term appointment for the FAA Administrator?

Mr. HINSON. Well, let me back up one paragraph and say that the woman who is the deputy is Susan Coughlin, and she was the lady that I met with.

Senator HUTCHISON. She is a member. Yes.

Mr. HINSON. Yes. I believe she is the No. 2 person there. The Administrator, as I stated earlier, serves at the pleasure of the President, and ideally, has a close working relationship with the Secretary. I said also that I think stability is preferable to lack of stability, with regard to senior management.

I would like to, if I could, reserve my answer to that question for some period of time. I am getting a little bit more familiar with the job of Administrator.

If I am confirmed, I think my answer might be more meaningful at that point. I am, in a way, trying to dodge the answer, because I am not certain in my own mind what the right answer is. And that is an academic answer, not an emotional answer.

Senator HUTCHISON. Let me just say that I would like for you to keep that in mind as you begin your service, and maybe after a year or so, I would like to know your views on that, because I do not believe the FAA Administrator is a partisan position at all. I

think the NTSB also is not, although, it is appointed on the basis of not more than three of one party.

I think we are dealing with different kinds of issues here. And I favor a fixed term, and I would like for you to look at that as you go along and see how you would feel about that.

The other area, I just want to ask you about quickly, because you answered Senator McCain, but I was not sure that I understood it—concerns the separation of the air traffic control system from the FAA, which was possibly going to be a recommendation of this Aviation Commission. Did you say you do favor that?

Mr. HINSON. No. I did not say. When I read that, the way it was explained in the newspaper, and this is supposition on my part, but I read that as not essentially removing the air traffic control function from the purview of the FAA, as much as I do as creating a separate suborganization in order to fund and finance their development.

Senator HUTCHISON. But within the FAA?

Mr. HINSON. Within the FAA, and within the DOT, in some fashion. I am not really familiar with it, so I had better stop there.

Senator HUTCHISON. All right. The Airport Improvement Program, there is some discussion about whether it should be reauthorized for 1 year, which I understand may be the Secretary's position, versus 5 years, which is what has been done in the past, and I believe perhaps some of the Members of Congress agree with.

What is your position on the number of years of reauthorization?

Mr. HINSON. I have discussed that with the Secretary. He favors a 1-year reauthorization basically because the Airline Commission has not yet made its recommendations.

We wanted to look at that before we went further. And also, he wanted to get his entire team in place. He felt that a 1-year authorization is preferable, so that we can decide our policies and strategies, and then come back next year.

I do not think he would particularly disagree with the idea that longer funding horizons are preferable, where we have long lead-time acquisition items. That is certainly my view as well.

Senator HUTCHISON. Good. Because I think it would be very important, when you are talking about capital projects, that there be a planning process. I do not know how you could issue bonds for an airport runway, if authorization—

Mr. HINSON. Yes.

Senator HUTCHISON [continuing]. Were only for 1 year.

Mr. HINSON. I agree with that.

Senator HUTCHISON. Could I have one last question?

The CHAIRMAN. Go ahead.

Senator HUTCHISON. My question concerns the Airport Trust Fund. Obviously we have the passenger tax that has paid for improvements in aviation as well as the air traffic control systems. We have a \$4.4 billion surplus in that fund, and passengers have paid for aviation improvements with that money.

Do you believe that the tax that is paid by passengers, the 10-percent tax, whether it is 8 or 10 percent, should continue to be used for aviation purposes only?

Mr. HINSON. Well, my uneducated answer and my nonpolitical answer would be "Yes, I do." But there may be other concerns and considerations of which I am not aware.

But the Aviation Trust Fund, as Senator Hollings has suggested at the outset, is being created for the purpose of maintaining our aviation infrastructure, and I think it is his view, and perhaps yours, and mine, to some degree, that that should be the purpose. Yes.

Senator HUTCHISON. Do you believe that we should begin using that \$4.4 billion for some of the improvements that you have heard around this table are believed to be necessary, and with which I concur?

Mr. HINSON. To the degree that they could be used in an efficient, effective manner, yes, Senator, I do.

Senator HUTCHISON. Thank you very much.

The CHAIRMAN. Thank you. Senator Burns.

OPENING STATEMENT OF SENATOR BURNS

Senator BURNS. Thank you, Mr. Chairman. Mr. Hinson, thank you for coming this morning. I think our trails have crossed at some time or other—

Mr. HINSON. Yes, sir.

Senator BURNS [continuing]. But we do not know where. I noticed that I was mustered out of the Marine Corps at about the same time you were applying for the Navy. I was at El Toro.

I would imagine the same time you were flying for Northwest Airline, I was working for Krazo. For those folks who do not understand that, that is Ozark spelled backward, which is no longer there. Thank you for coming this morning, sir.

I think I have probably five or seven concerns. And they involve essential air service for Glasgow, Glendive, Havre, Lewiston, Miles City, Sidney, and Wolf Point.

I realize that does not fall under your jurisdiction, and it has not come before the Appropriations Committee yet, but I will be seeking very strenuously to reestablish those funds, as they were zeroed out by this administration, and to reestablish those things, those funds, for the simple reason that they are the lifeblood of little towns in my State of Montana, who are a long way apart, who are not on any rail service, who are not on bus service, and rely on small airlines or feeder airlines into my hometown of Billings.

And, yes, runway 27 is still operational, and everything there. I suspect you are pretty familiar with that.

Mr. HINSON. Yes, sir.

Senator BURNS. I wonder if you have an opinion on essential air service, and those funds, how important they are to some areas of the country.

Mr. HINSON. Senator, good morning. First, let me say that I learned a lot about flying in Montana. I flew all over the State for Northwest Airlines. We either had all the deicing equipment on at one time, or all off at one time, or holding on with both hands. It is a wonderful place to learn to fly, if I may say so.

Senator BURNS. Yes. Exciting.

Mr. HINSON. Yes, sir. Essential air service, I think the budget is about \$40 million, plus or minus a few dollars, annually. My per-

spective goes back to the original local service airlines, of which Ozark was one, and up in your neighborhood, West Coast Airlines and Frontier. I think those subsidies were very successful historically.

I am really not prepared to comment on whether we should or should not have essential air service today. I know the communities that have it want it and need it. If that is the only funding mechanism, then we should consider it. If there are others, we should probably look at those as well.

Senator BURNS. Well, I know that your opinion will carry a lot of weight with the Department of Transportation, as they consider the reestablishment of those funds. Like I have said before, I will be working very hard to reestablish those funds and the appropriations as they come before our committee.

There are also a couple of other areas. By the way, Mr. Hinson, I am going to support your nomination, because I think you bring a lot of common sense to the table.

This town, I do not know whether it was Benjamin Franklin who said it or not, but this town sort of reminds me, of what he said when they were trying to craft the Constitution.

He said we are blessed with a lot of folks around here that can say horse in nine languages, and then ride a cow to work. We do not have too many commonsense hands-on kind of people around here, and I think you bring that back to this organization.

I want to visit with you about fees that are being charged by the FAA now for services that used to be provided by the FAA. In other words, that is the mechanics, the workshops that they have for re-authorization or relicense in the particular States, and also in those areas where they are charging fees now where no fees were charged before. Do you have an opinion on that?

Mr. HINSON. Senator, I am not familiar with that all, but I will be.

Senator BURNS. If you would grant me just some time with you, I would like to bring you up, because there are a lot of areas where we are sparsely populated and scattered out. We are dependent on private aviation right now.

Charter aviation is absolutely essential for States like Montana and Wyoming, in the West. We still have ranchers, where the only equipment they have on an airplane is a gas gauge and a compass, and that is it. They do not even have a radio in it.

They still come to town for parts, and for different services that they have to have, and they still live in remote areas, and need that little old "J" model, or an airplane to come down and do those kinds of things. They're hampered seriously.

I would hope to get some time with you, and sit down and visit with you about some of these rules and regulations, and also the service fees for areas like the meetings with mechanics, and I think they have to go through relicensing or reauthorization every year. They have a yearly meeting.

I know Mike Ferguson, who runs our aviation department in the State of Montana, is very, very concerned on the direction that the FAA is taking with regard to the smaller States in the West. I would just like to lay out some of the problems we are facing, and have the time to sit down and discuss them with you.

Mr. HINSON. Yes, sir. I look forward to that.

Senator BURNS. Thank you, Mr. Chairman. I appreciate the opportunity.

The CHAIRMAN. Very good. Senator Stevens.

OPENING STATEMENT OF SENATOR STEVENS

Senator STEVENS. Mr. Hinson, I too join in welcoming you to the committee. I tell you that I also learned to fly in Montana, but quite a few years before you flew there.

I have asked my young men to show you this map, because I think it makes a point. We are almost three times the size of Texas. We have 12,000 miles of road. Texas has over 300,000 miles of first-class Federal highways. I am talking about just all our roads add up to 12,000 miles.

Seventy percent of our people get from community to community by air. It is over 175 communities that can be accessed only by air, and our capital city has no road into it.

Now, you are probably the most important man in Washington, as far as Alaska is concerned. It used to be the Department of the Interior, but they withdrew all our State, and then forgot about us. So, we are now in a different situation.

We have 8 times as many pilots per capita, 15 times as many planes, and we have 72 times as many commuter aircraft per capita as anywhere else in the country.

I would like to talk to you about some rather severe issues. Under an agreement between the Weather Service and the FAA, as far as the NEXRAD radar is concerned, the Weather Service does that in the South 48, you install the NEXRAD in Alaska and in Hawaii.

We went through a period of time of reduction of flight service stations. We had 26 first-class flight service stations. We will end up with three. We will also have 14 part-time ones during the fishing season in the summertime.

The reason we finally went along with that plan was that we were told the FAA would bring to us immediately the first off-the-line, the first nine NEXRAD's. We are now told that there will be seven, and with our budgetary problems, we are probably going back to 2 years at least, even to get the seven.

We asked the Weather Service about that, and they told us that if we do not get our nine, weather forecasting in Alaska will be severely complicated, if not impossible.

We find that totally unacceptable. We worked on this committee, as a matter of fact, we delayed the FAA flight service station plan for a year, because of the support I have received from this committee in terms of delaying that modernization plan until it is worked out for Alaska.

In Alaska, with nine NEXRAD's we will cover 10 percent of the land mass of Alaska. In the lower 48, the NEXRAD radar will cover 90 percent of the entire land mass.

Now, I am going to tell you, I have been here 25 years now, but I have not seen the Federal Government wail on a deal with a State to the extent that this adds up to. It means that we will face the problem of flying in all sorts of weather without flight service or without weather service. It is entirely unacceptable.

I have asked the Department of Transportation appropriations bill, for your information, to direct you to live up to the deal. I do not know whether I am going to get the support of the Appropriations Committee.

But I cannot ask you for your opinion, you have not been there. I cannot hold you responsible. But I can plead with you, as a representative of Alaska, not to let that happen. It just cannot be. I just ask you if you will look into that when you get down there.

Mr. HINSON. Yes, sir. I have the firsthand experience of flying in Alaska as well. I understand, I think, your problem. I do not know the specifics of the seven or nine NEXRAD's for Alaska, or any of the events that led up to that decision, but I will, if confirmed, look right into that for you.

Senator STEVENS. Well, your former airline has a great history in Alaska. As a matter of fact, I remember the great glee that I had when I was on one of the old planes, the drop four-engine prop planes that made it from Fairbanks to Seattle in 5 hours.

Mr. HINSON. It was probably a DC-6B, Senator, I think.

Senator STEVENS. Now, I have one other thing. We have had a severe problem of helicopter crashes in southeastern Alaska, and the National Transportation Safety Board has written to your predecessor expressing the beliefs that the surveillance of flight operations, and they mean all FAA operations, in southeastern Alaska was and remains inadequate, and further, that the Juneau Flight Standards Division office has not surveyed the operators at the remote locations, because of resource limitations.

I do not criticize the people that are there. I want to emphasize that. It is resource limitations. When I first went to Alaska, the FAA had literally a compound in almost every community in the State, and they operated the flight service station.

Many times the wives of the people who were working at the FAA were the schoolteachers for the—well, it was quite an integrated operation.

Today, the FAA has almost abandoned Alaska. I would urge you to take a look at that, because this is one of the highest areas of flight accidents in the United States.

Do you fly helicopters?

Mr. HINSON. No, sir. I have flown in a helicopter. I am not rated to fly a helicopter.

Senator STEVENS. Yes. I am the same way. I wish I were. But it is an increasing means of transportation on a personal basis in Alaska—

Mr. HINSON. Yes, sir.

Senator STEVENS [continuing]. And it does have to have the type of supervision for safety that any aircraft does, and yet it has been completely neglected. I would urge you to take a look at that when you get there.

Mr. HINSON. Yes, sir.

Senator STEVENS. Third, I've introduced two pieces of legislation. One is the Juneau International Airport Safety Act, which the chairman and others here helped me get reported. It is on the Senate calendar. We are waiting on a report from your agency.

There have been three major crashes in Juneau over 20 years. If you look at the NTSB's safety report, you would find that you

are almost seeing a repeat each time, and yet there has been no way to determine why these have happened.

As a matter of fact, I remember when the NTSB came into me on one and told me about it, because I had a very deep interest in it. I was scheduled to be in that airplane and missed it in Anchorage, and it crashed going into Juneau. So, when I got back, I had a real interest in that airplane, and I asked for a briefing on it.

I have to tell you, it is like reading a novel. You just cannot believe it happened. They have the recorder and everything. Everything was perfect, letter perfect, and yet they bought the farm.

Now, we had the same thing with a National Guard flight last year, and we had one just about 8 years ago. Now, this bill would set up a special group to investigate the adequacy of the approaches, and would be composed of people from the NTSB, your agency, the National Guard, and the Juneau people who are involved in flying.

I know it is unique, but I do not know of another area where they have there unexplained air crashes that are almost identical. I would urge that you would cooperate.

It is unique. I do not think we have ever done that before. But something needs to be done. I hope I am not here to be involved in talking about a fourth one. In the amount of time I fly in there I hope I am not on the fourth one.

The Soldotna Air Improvement Act is another bill, S. 1192. That is something that I would urge you to take a look at. It is a very simple little bill.

It authorized the Soldotna Airport, which is going to be closed, because of lack of funds, to sell some excess lands that it has. It has happened in several other areas of the country.

I would hope that you would look favorably upon that bill in order to permit us to continue to operate that small private airport. It is operated by the city.

I believe I have not asked you any questions, but I hope your people have made little notes of these bills that I would like to have you take a look at. I would urge you to come back and see us. You flew up our way. Are you a fisherman?

Mr. HINSON. Yes, sir.

Senator STEVENS. Well, I have to tell you, Mr. Chairman, I hope you do not mind me taking a minute, but thanks to this committee, for the first time in 20 years, the Alaska salmon are not intercepted by driftnets coming into Alaska.

Mr. HINSON. That's great.

Senator STEVENS. They were all taken down last December, December 31, because of acts in the U.N., which we also requested. As a consequence, the report I had from Cook Inlet, from Montana Creek, and from a few of the other creeks up there was that the fisherman—they are coming in great quantities. It actually took the limit off in Cook Inlet, and when they came into Montana Creek, instead of being 20 and 30 pounds, they are 60 to 80 pounds this year.

So, it is time for you to come back and look at Alaska, Mr. Hinson.

Mr. HINSON. Yes, sir. Thank you very much.

Senator STEVENS. Thank you.

The CHAIRMAN. Mr. Hinson, the Senator from Alaska, when they come up showing a map, when we have NOAA and the coastal zone management group, he comes with a map and he says that he has one-third of the coastline of the United States—

Senator STEVENS. One-half. One-half.

The CHAIRMAN. One-half. It has gone up to one-half. He has over one-half. The point is that he has less public per square mile than any State in America. After he gets his seven NEXRAD's that will be seven times more than what we have in South Carolina. I know the FAA will not ignore Alaska. Senator Stevens is a most valued member on this committee, and we will be working with him.

He and other questioners have pointed out the frustration, Senator Danforth, there is an \$8 billion backup for airport grants. The requests are in. Is there something you can do? That is your function. And that is why I asked you for the plan.

Other administrators and Secretaries of Transportation have come up and said, "Look, we need about \$2 billion a year. We would like to have more. We could perhaps spend more, but realistically we need at least that to keep ahead of safety, with airport construction and everything else."

So, that is why I asked you for that plan. Otherwise, you don't need to figure out our responsibility for the bankrupt airline industry in the United States. In one word, it is "deregulation." What we did was we took public convenience and essentially threw it out of the window, and it landed on the side of so-called competitiveness.

Cities like my hometown, and all over America, went out into the county areas, beyond any city limits, taxed themselves, built the airport facilities, then went to the airlines and brought them up here to the Civil Aeronautics Board and said, "Hey, we have an airline that is willing to serve, say, Charleston to Washington."

Here are the rates. Here is what they are going to charge us, and everything else. Here is what we are going to provide.

It was a good sweetheart deal, working extremely well. The banks and insurance companies owned the equipment. The operators, like yourself, ran it. The pilots and attendants were well paid. But along came the politicians and said, "What we have to do is get more competitive."

So, we disregarded the very reason for that particular airline being in that particular city or town; namely, public convenience and necessity.

And we said forget about public convenience and necessity, we want competitiveness. So, the airline executives said, "OK, if that is what you want, we will take where we can save, and cut back where it costs."

As a result, right this minute, if you go and ask, try to get a ticket from Washington to Charleston and back, it is \$698. Just a week ago I saw an advertisement where you could fly from Washington to Frankfurt and back for \$279.

That is why I point to what you said, "we are safe, we are efficient, we are relatively low cost." That is absolutely false. It is not relatively low cost at all.

What we have is 85 percent of the small- or medium-sized towns in America subsidizing the Las Vegas and long hauls. That is what we are doing.

And the airlines say, "Well, they will go broke before we will, and then we will recoup our losses, during the hedonistic eighties around here, with all the leverage buyouts," and what have you.

So, there is no mystery to what has happened. We have to reinstall, so to speak, convenience and necessity. That is what we are here for, for the public convenience and necessity, not for the competitiveness of the airlines.

We will study this Commission's report. But I speak from an experienced standpoint, having been told when we enacted this, and that is the only reason I voted for it, and it is one real vote I regret as a U.S. Senator. They said, "Oh, no, we are going to take care, we are going to do this, we are going to do that."

I remember Senator Pressler, he was going to protect his State. I was going to protect mine. People now get in the car and drive up to Charlotte, and drive all the way to Atlanta. It costs too much to fly over there and get the regular flights on up the line for the connectors.

That is something that the FAA does not have anything to do with, but you are responsible with respect to the facilities. And I hope you will get us your game plan for let us say a couple of billion, or you tell us why it ought to be less, or why it only ought to be \$1 billion, or why it ought to be \$3 billion.

I have tremendous confidence in your background and experience, and we need it to get going, and let us fight the administration with respect to using your moneys, and these committees and Congressmen from using your moneys for other than airport facilities. Senator Pressler.

Senator PRESSLER. Yes. Mr. Chairman, as you probably know, on April 19, near Dubuque, IA, the Governor of my home State and seven prominent South Dakota business leaders lost their lives in what appears to be to have been a preventable accident.

Since the accident we have learned that the National Transportation Safety Board urged Federal Aviation Administration action, based on an NTSB investigation of a prior incident over Utica, NY, which had not resulted in any fatalities. The aircraft involved was the same type of aircraft that crashed in Iowa.

As recently as March of this year, the NTSB urged an examination of a similar aircraft in order to prevent what its chairman called a catastrophic accident. Yet the FAA did not act.

It seems that it takes a fatal accident to serve as a catalyst for FAA action. That certainly appears to be the case with respect to the Iowa crash.

In fact, the FAA admitted to me that it took the Iowa crash, in addition to the NTSB recommendations, to ground similar aircraft. The time is past due for action by this Government to address these issues.

Now, what factors does the FAA look at when considering NTSB recommendations? Please use the recommendation following the Utica, NY, incident as an example?

Mr. HINSON. Senator, as you know, up until now I have not been involved at all at the FAA. I had no firsthand knowledge of the re-

lationship and the workings between the recommendations of the NTSB and how the FAA acts on them. I have been briefed on the accident and what we know so far.

I can assure you that if I am confirmed, I will have a very keen interest in very quickly understanding this relationship, so that I am personally satisfied that we are doing everything we can to make the flying of general aviation airplanes, in this specific instance, as safe as possible.

Senator PRESSLER. Yes. I would not expect you to, since the report on this accident has not been issued, but I would expect you to have some concept, you are going to be chairman of it, what factors will you look at when considering NTSB recommendations?

Mr. HINSON. Well, I would have to speculate. I mean there are obvious factors that you look at, depending upon the circumstances. I could speculate about a lot, 20, 50, or 100, perhaps.

Basically, the issue is whether it presents a continuing hazardous situation, which would mean flight would be unsafe. That is the overriding concern.

Senator PRESSLER. Now, in this case, the NTSB wrote twice to the FAA. Does that happen very often?

Mr. HINSON. I do not know.

Senator PRESSLER. Can you find out—

Mr. HINSON. Yes, sir.

Senator PRESSLER [continuing]. And answer it for the record?

Mr. HINSON. Yes, sir. I can.

Senator PRESSLER. Because you are going to be chairman of this organization, it is very important to me as a Senator to know what standard you are going to follow. I think that is a reasonable question; is it not?

Mr. HINSON. Yes, sir. It is very reasonable.

Senator PRESSLER. But I think if you look at that—aside from the accident, if you look at that correspondence, it came over twice.

It predicted a catastrophic accident would happen, and nothing was done, no directive was issued, and then after the crash, 2 or 3 days—so it appears to me as a Senator, and hindsight is always the easiest. There are a lot of Monday morning coaches who would have played the Friday night game differently.

That example strikes me as very strange, that the NTSB would send two, would send a letter over, and then it comes back, and then they feel so strongly about it that they send it again, and the FAA still did not act, in addition to this Commission report that cites 20-year lapses before any action is taken.

Well, this was not a 20-year lapse, but I think in terms of the interest of the flying public's safety, and in the interest of small aircraft, of which there are a lot in my State, that people want to know if there is a reason for the slowness of acting. Maybe there is. Maybe they get so many letters from the NTSB that they cannot possibly act on them.

Do you have any feel for that? I mean what is going on here?

Mr. HINSON. Senator, if I were in your position I would be asking the same exact questions. I think they are absolutely correct questions. They are proper. I am really sorry that my level of knowledge at this point does not allow me to answer them with some specifics.

I believe in my briefings, I recall the numbers 84, or 85, or 86 percent of normal recommendations have been adopted by the FAA, and on an emergency recommendation, over 90 or 92 percent have been adopted. I cannot tell you why there is a difference between 92 and 100 percent. There may be good reasons, I just do not know them.

Senator PRESSLER. OK. But the question I would like you to answer in writing, when you think about it, when you get some more briefings, is: When you get an NTSB recommendation for a directive, what standard will you use?

You are going to be chairman. I think it is a fair question. What standard will you use? How will you determine, in your mind, and as compared to some others?

I think the public wants to know. This is an important job you are going into. What your judgment is, what your feelings are, what your standards are for these NTSB letters, are all important things.

We depend on the people at the FAA. I think the most important thing to me is what your standard will be. Could you submit that in writing?

Mr. HINSON. Yes, sir. I can articulate that for you, and I will do so.

Senator PRESSLER. OK. Now, there seems to be the issue of gridlock here, we have gridlock in Congress, so we are guilty of it, but gridlock of getting anything done between the NTSB and FAA. Well, they do get a lot of good things done, though, too.

But what role do you feel the DOT should play in its relationship with the FAA and the NTSB, particularly with regard to aviation safety?

Mr. HINSON. Well, I think the Secretary has a direct and abiding interest in the making sure that the FAA does their job of making the aviation environment as safe as possible, and that includes working with the NTSB.

I would expect that I will keep the Secretary closely informed about these issues and his staff, and we will have discussions, no doubt, about the various philosophies that are important to completing our responsibilities.

Senator PRESSLER. What is the FAA's definition of an "unsafe condition"?

Mr. HINSON. I do not know what the FAA's definition is. Mine personally is any condition that makes flight hazardous.

Senator PRESSLER. Would you find out what the FAA's definition is, and do you agree with that—

Mr. HINSON. Yes, sir.

Senator PRESSLER [continuing]. And answer that for the record?

Mr. HINSON. Yes, sir.

Senator PRESSLER. Are you aware of any problems, other than cracked hub arm assemblies associated with the Hartzell propeller, the propeller of the Mitsubishi MU-2B aircraft?

Mr. HINSON. No, sir.

Senator PRESSLER. Now, there was a Utica accident with this MU-2B Mitsubishi, and the pilot managed to get it down, and the Dubuque accident was almost identical. So that is two we have

had. Would you give us an assessment if the MU-2B Mitsubishi is capable of flying on one engine safely?

Mr. HINSON. Well, I know that it has FAA certification, and, therefore, the answer is "Yes."

Senator PRESSLER. But in view of those two accidents, where they both were almost identical, would that add any doubt to your thinking, or as chairman, what would you do if you saw these two accidents? What steps would you take to check into it?

Mr. HINSON. Well, I think we want to make sure, and while it appears that it is 99 percent certain that we know what caused the second accident, there is still that lingering doubt until the NTSB completes their investigation.

I am sure the NTSB will, in their own right, compare the two accidents, as well as the FAA. And if we feel there is any mechanical deficiencies in the airplanes, we would take corrective action.

On the other hand, it may be that we conclude that we need to train the pilots in a more professional manner, if that's called for. There are just a number of things we might or might not do, depending upon what we determine.

Senator PRESSLER. I guess we have already covered this, but I want you to answer in writing: How does the FAA measure safety, and how do you measure safety, and what changes would you make?

Mr. HINSON. Yes, sir. I will do that for you.

Senator PRESSLER. All right. If you could change the procedure of the FAA in deciding on a course of action to alleviate a safety problem, what changes would you make?

Mr. HINSON. I would have to make a number of assumptions to answer that question. I need sort of a premise to go from. That is a fairly broad question, Senator.

Senator PRESSLER. Well, then for illustrative purposes, what would those changes be in the context of the NTSB's and FAA's actions following the 1991 incident in Utica, NY?

Mr. HINSON. Well, the FAA very well may have done a number of things subsequent to that accident. I just don't know.

Senator PRESSLER. Can you find out—

Mr. HINSON. Yes, sir. I can.

Senator PRESSLER [continuing]. And answer it in writing? Is the relationship between the FAA and the NTSB too cozy?

Mr. HINSON. Well, I cannot answer that, because I do not have any personal experience.

Senator PRESSLER. But you have been in the airline business for a long time.

Mr. HINSON. Yes, sir. I have. Well, from where I sat in the industry, it was not an issue at all.

Senator PRESSLER. You have no opinion on that.

Mr. HINSON. I have an opinion that when the NTSB issues recommendations after accident investigations, everybody in the industry that is affected by that particular airplane or circumstance usually reads those with great interest, and often works with the FAA to institute corrective steps. So, yes, sir, I do have an opinion in that context. It is that it works quite well.

Senator PRESSLER. Eastern Airlines had a scandal that caused the indictments of several of their top executives.

A lot of people get indicted, and I am not condemning people, but given your experience as the head of an airline, what do you think can be done to better monitor the airline industry?

Furthermore, what do you think were the motivations behind Eastern cutting safety corners, if they did, to the extent they did, and how can the FAA address those motivating factors?

Mr. HINSON. Well, let me answer that in reverse order. I have no firsthand knowledge of what or what did not happen at Eastern, so I really do not feel qualified to comment on Eastern at all.

My observations as an air carrier operator are that I have never met a responsible party in the airline industry who would knowingly or willingly cut any safety corner whatsoever.

And, in fact, the safety records of the air carriers over the past 10 years bear that out, as we have had a consistently improving safety record for the last decade.

Senator PRESSLER. Now, as I understand it, the most deadly airplane disaster took place in the Canary Island, when two 747's hit each other on the runway. Over 500 people died.

Given your experience, what are some steps you might take to address the problem of both the near misses and the inevitable crash that is likely to occur at any of our nation's 17 or 18 major airports?

Mr. HINSON. Well, you are referring to the Tenerife accident, where an airplane took off in very low visibility, not knowing there was another airplane on the runway, and they collided.

As the result of the accident, as I recall, a number of procedures were changed with respect to air traffic control worldwide, and the way traffic is handled on the ground when you are in a low-visibility situation.

The FAA, for instance, is in the process of developing and will soon be installing automated radar for ground control, which has the ability to simulate difficulties that may be arising from airplane incursions and other circumstances, where the ground traffic is not following their instructions.

It is a very complicated system that includes some data linking and printing of clearances back and forth between the airplane and the tower on an automatic basis. But we learned a lot as an industry from that incident, and a lot of changes have been made.

Senator PRESSLER. Now, wind shear problems plague many of the most used airports in this country, and account for several major crashes in the past decade.

What programs appear promising to both predict wind shear conditions and identify them when they crop up?

Mr. HINSON. Well, we have had an aggressive industry campaign on wind shear for more than 20 years, including the introduction of Doppler radar. The FAA has developed a whole host of tower assists for measuring wind shear and its impact on flight crews.

I think that substantial progress has been made in that area, although we are still working on the problem. As you might imagine, that is a very technically imprecise area. No wind shear is identical. No storm is identical. And we are still learning.

Senator PRESSLER. Do you support the enactment of limits on the doctrine of strict liability for manufacturers of general aviation aircraft?

Mr. HINSON. Well, I answered that a little bit earlier, I think, from the perspective that I am not a lawyer, but, hopefully, there is a middle ground there.

Senator PRESSLER. Mr. Chairman, I have some additional questions for the record. I will submit them, if I may. How long do we have to submit additional questions?

The CHAIRMAN. We want to move on the confirmation of this nominee as soon as possible. I have some questions that I will also submit, but he could easily complete them, and we could confirm him later this week or the early part of next week.

Senator PRESSLER. OK. If I could have the rest of today to submit questions.

The CHAIRMAN. Surely. We will keep the record open for some questions that other Senators have and that I have. Senator Mathews, do you have any further questions? You do not have any further questions.

Well, Mr. Hinson, if you can make the airlines as careful as you are on your answers, we will have a very safe system. [Laughter.]

Mr. HINSON. Coming from you, sir, I consider that a compliment.

The CHAIRMAN. I am enthused about your appointment. We will have these questions, but you get to work on them, and get the answers in, and I will clear it with the leadership.

I do not know of any opposition, whatever, and I want to move this week or early next week for confirmation, if we can.

Thank you very, very much. The committee will be in recess.

[Whereupon, at 12:02 p.m., the hearing was adjourned.]

APPENDIX

QUESTIONS ASKED BY SENATOR HOLLINGS AND ANSWERS THERETO BY MR. HINSON

Question 1. Aviation safety should be the highest priority of the Federal Aviation Administration (FAA). What do you foresee as the critical safety issues for the future?

Answer. The FAA needs to continue to build on the outstanding U.S. safety record during a period of great change. Our regulatory standards must be internationally harmonized, and keep pace with technology advances we must ensure that state-of-the-art training continues to be provided to FAA employees; we must develop and apply a better understanding of human capabilities performance, and error in the system, and employ the means to reduce it we must be sure that automation and the application of technology to the aviation system takes full account of the human element, we must measure safety better, and improve the quality of safety data in support of this work, we must improve the Nation's aviation weather detection and dissemination systems, we must accommodate new demand, at even better safety levels than today so that accidents continue to be reduced; we must continue our efforts to improve cabin safety and the airworthiness of the existing fleet in a cost-effective manner, and we must minimize the exposure to risk of civil aviation from terrorism or other criminal acts. All of these challenges must be faced and dealt with while accommodating growth, globalization, ever tighter Federal budgets, and with due regard to the realities of the economics of the air transportation system as a whole.

Question. The aviation industry has raised concerns with the regulatory process and the adequacy of FAA cost-benefit analysis as part of this process. First of all, there is concern about the cost-benefit estimates. In addition, Advisory Circulars, used to adopt or change various practices and procedures within the industry, do not require the full cost-benefit analysis, and thus the cost of these regulations is not considered. What ways would you suggest to address these concerns, particularly given your own experiences as part of a regulated industry? Do you foresee the need for the FAA to adopt some form of specific regulatory budget so that issues can be prioritized?

Answer. We simply must work with industry in an open and candid manner to develop the best possible cost data for the range of options being considered in addressing each regulatory or policy issue. We must share with industry the responsibility for developing and agreeing upon the economic facts, so that our discussions can productively focus on implementing the best option rather than arguing about how much each option costs. It appears to me that working in the Aviation Rule-making Advisory Committee is one potentially effective means of accommodating those needs in a fully public participatory forum.

I have not had a chance to study the concept of a "regulatory budget" in enough detail to reach a conclusion as to whether or not it would be effective. I know the National Commission to Ensure a Strong Competitive Airline Industry has discussed this subject, and I look forward to studying their conclusions and recommendations. I do agree that it is important to properly prioritize safety regulations to provide the maximum feasible safety benefits in the most cost-effective way.

Question 3. We have recently heard criticism that various regulatory agencies—for example, the Environmental Protection Agency (EPA), the FAA, and the Army Corps of Engineers—frequently fail to coordinate the requirements which they impose on airports. For example, the FAA-mandated firefighter training practices require open burning of jet fuel and other noxious chemicals. However, these practices are inconsistent with EPA's attempts to improve air and water quality. Do you believe better coordination between the federal agencies is needed in these areas?

Answer. Yes. I would if confirmed, work diligently to promote the best possible coordination between FAA and other Federal agencies. I believe that everyone benefits when solutions to problems are based on shared information and expertise.

Question 4. Industry observers believe that significant improvements are needed in the FAA's procurement process as well as the level of expertise of FAA personnel involved in technical procurement activities. Have you had a chance to look at these issues, and do you have any thoughts on how to improve the situation?

Answer. I know there has been much criticism that the Federal acquisition process takes too long and is not responsive to user needs. I have been briefed in a general way on the problems. Although I do not have specific improvements in mind at this time, if confirmed, I intend to make procurement reform a top priority. The acquisition process must not delay the modernization of the National Airspace System. I will be soliciting assistance from the Congress on any reforms that may be necessary.

Question 5. There is some enthusiasm for a Global Positioning System (GPS) here in the United States, however, the international community seems reluctant to accept the U.S. offer to provide the system to the rest of the world. There are numerous other complex and unanswered technical issues that DOT is beginning to address. What in your assessment, are the key issues that need to be addressed on this subject? What steps are being taken to resolve the unanswered questions, and what is your estimate as to how long it will take to come to a full resolution on GPS?

Answer. GPS offers substantial benefits to our air transportation system, and we must work toward its early implementation. Key GPS issues are: Technical Capability. The GPS Standard Positioning Service (SPS) does not currently satisfy the aviation requirements for availability, accuracy, and integrity for a sole means navigation system for most phases of flight. U.S. Management Structure. GPS is perceived as a U.S. Department of Defense system. The U.S. management structure needs to ensure that the needs of the rapidly expanding civil use of GPS are appropriately represented. Financing. The budgeting and financing structure for GPS needs to ensure the long-term sustainment of GPS as a U.S. national resource. International Acceptance. The United States must promote international acceptance of GPS consistent with legitimate U.S. national security needs.

FAA has a variety of projects underway to examine and determine the technical capabilities of various methods to improve GPS performance. In addition, a subcommittee to the FAA R&D Advisory Committee has been formed to review the FAA satellite navigation research and development program. The subcommittee is expected to release its findings late this year.

A DOD/DOT Task Force on GPS was formed earlier this year at the initiative of Secretary Peña and DOD Secretary Aspin to examine the institutional implications of increased civil use of GPS. Two of the issues that this task force is currently addressing are those of the future GPS management structure and future GPS financing. This task force is due to report to both Secretaries this November.

An overall FAA strategy for encouraging international civilian use of GPS is currently underway after internal coordination. this plan will be implemented through the ICAO Committee structure. The FAA is the U.S. representative on the Future Air Navigation System (FANS) Committee. The U.S. will also actively participate in a recently formed ICAO GNSS panel. In addition, FAA management and senior technical staff regularly attend international symposia and interact with their counterparts.

The complete resolution of these issues will evolve over the next several years. If confirmed, I will actively work toward speedy resolution and implementation of GPS.

Question 6. The Airline Commission may be considering a recommendation that the FAA's air traffic control function be separated from the rest of the agency to improve efficiency of operations. Do you have a view of this proposal?

Answer. The current difficulties facing FAA (personnel/acquisition/budget) are inherent in any large, complex governmental organization. In spite of these difficulties, the FAA has an impressive record in operating the worlds safest and most efficient air traffic control system, and is viewed as the model civil aviation safety organization in the world. Privatization of the agency, or privatization of particular segments, gives no guarantee that these positive attributes could be sustained under a corporate structure. Furthermore, such a proposal could take years to implement in order to minimize the disruptive effects a major restructuring would inevitably cause.

Any effort to reexamine the FAA's structure should consider the FAA's excellent record, and take into careful account any actions that would adversely affect the agency's performance. I believe that we should examine ways in which FAA can improve its acquisition, budgetary, and personnel practices. I am committed to a thorough examination of the factors which impede efficient service delivery, and a full exploration of the options available to best improve agency effectiveness.

Question 7. What have you learned about the AAS program and what is your commitment to it?

Answer. I have received a briefing on the AAS program, and I believe that the program is a fundamental cornerstone of the FAA's overall modernization efforts. If confirmed, I will work to assure that we do all we can to focus the proper management attention on this program to bring it on line in a timely and cost-effective way.

Question 8. Since President Reagan fired the striking air traffic controllers, there has been much debate over the need for additional air traffic controllers. Air traffic delays continue to be a problem. Does the FAA have enough full performance controllers? Are there areas that are not adequately staffed, and if so, how would you plan to address this problem, if confirmed?

Answer. In my briefings with FAA staff, I have been advised that the current state of the controller workforce is quite good. The air traffic system is operating better than it ever has. Delays have decreased over the last 4 years. In fact, during 1992, FAA achieved the lowest daily average delay since it started a standardized recording system. Controller operational errors have steadily decreased. Controller overtime has also decreased. Retirements from the controller workforce have decreased to about 200 per year, and 80 percent of the controller workforce will not be eligible to retire until after the year 2006. I am told that the adequacy and stability of today's staffing levels have allowed for implementation of alternate work schedules and a variety of employee involvement programs. All indications I have seen are that controller staffing is at an appropriate level, particularly given the dramatic downturn in traffic below projected levels in 1991 and 1992.

I have not yet had a full opportunity to assess overall staffing needs within the FAA, but this will be an ongoing priority of mine. If confirmed, I will ensure that there is a proper match between the safety and operational demands on the FAA and the resources needed to meet these demands. A high-level review of FAA staffing standards will begin this fiscal year to provide additional information on this issue.

Question 9. You have agreed to recuse yourself for a period of one year from personal and substantial participation in particular matters pending at the Department of Transportation (DOT) that would have a direct and predictable effect upon the financial interests of McDonnell Douglas Corporation, your former employer. If confirmed, how will this recusal affect your ability to work on issues such as harmonization of aircraft standards or certification of aircraft? Will it affect your ability to issue an emergency order if an equipment safety issue demands action?

Answer. My recusal will not adversely affect my ability to work on harmonization or other broad-ranging policy matters, which are of general applicability. Similarly, it will not affect my ability to lead the agency's general certification activities in matters pertaining to policy and rules of general applicability. I would not, of course, involve myself in any specific certification decisions covered by the recusal during the first year of my tenure, in accordance with the terms of the recusal.

The emergency orders issued by the "Administrator" (e.g., airworthiness directives and certificate revocations) would continue to be handled in their normal way, utilizing existing delegations of authority. I would not participate in discussions of any such issues affecting the companies that are the subject of my recusal during the recusal period. I am confident that, if I am confirmed, the senior staff of the agency will make the appropriate specific technical decisions in this period, consistent with the generally applicable policies I will apply, should the need arise.

Question 10. With the reduction of \$379 million being proposed by the House Appropriations Committee, will the Federal Aviation Administration (FAA) have sufficient resources to meet the needs of the airports? How will this reduction affect the FAA's letter of intent (LOI) obligations? Will there be any discretionary funds available? Will there be funds available for new LOIs?

Answer. I have only had the opportunity for a preliminary briefing on FAA budgetary issues. I am advised that the proposed House Appropriations Committee reduction in AIP levels would cause the FAA to focus on high priority projects in the discretionary area. I understand that the proposed reduction would limit the availability of discretionary funds significantly, because of the formulas used in AIP. Beyond that, I have not had the opportunity to evaluate the potential impacts of the reduced discretionary funds on other elements of the program, although this is an issue I will fully assess, if I am confirmed.

I believe that the FAA Administrator must play an important role in the budget area, particularly in a time of scarce resources, and I expect to do so if I am confirmed.

Question 11. Under the Federal Aviation Act, revenues generated at an airport must be used on that airport. In effect, airports are thus required to charge carriers the cost of operating the airport. The City of Los Angeles is now proposing to in-

crease landing fees significantly to generate excess funds that then could be used to support non-airport related city services. Do you believe that this is contrary to existing law? Are there any covenants in airport grant agreements that could be read to permit his type of diversion? What actions can the FAA take to prevent such a diversion of funds? Can the FAA withdraw its approval of the City's passenger facility charge, which is supposed to raise about \$400 million?

Answer. I am informed by FAA staff that the Los Angeles proposal is under active review within the agency. Additional information has been requested from Los Angeles in order for the FAA to consider all relevant facts as they relate to the revenue provisions of the Airport and Airway Improvement Act.

I assure you that I recognize the seriousness of the issue of airport revenue uses, and, if confirmed, will focus promptly both on the Los Angeles situation and on the general issue of airport revenue use.

Question 12. Last year, according to the National Transportation Safety Board, aviation-related deaths increased from 978 to 1,103 fatalities. This increase occurred primarily in the general aviation area, where fatalities rose from 765 to 874 deaths. What efforts do you foresee are necessary to improve safety? Is more training needed?

Answer. General aviation safety efforts are and must be a priority issue in the FAA. FAA has developed a General Aviation Action Plan, which targets safety and other needs, in partnership with the general aviation community. If confirmed, I would continue efforts such as this, and aggressively promote safety increases in this important segment of the aviation industry. A variety of approaches may be useful, including training and accident prevention seminars.

Question 13. Will reductions proposed in the House appropriations bill for the FAA's operations budget affect the ability of the FAA to carry out its functions, such as air traffic controller staffing?

Answer. I am informed that the proposed reduction in the overall Operations budget will not adversely affect the FAA's staffing abilities. I am concerned, however, that the FAA be given flexibility to administer its Operations budget in a way that provides for balanced staffing, based on day-to-day requirements for the agency's programs and system safety. Flexibility is particularly important for an Administrator in a time of strict budgets.

Question 14. The FAA has claimed that it has enough air traffic controllers. Are those controllers working where they are needed from a safety point of view? Would additional controllers increase safety or reduce delays, which delays the Acting Administrator has said cost the passengers and the airlines \$7 billion per year?

Answer. All information I have been provided about system performance indicates that the size of the FAA's controller workforce is adequate. At this current staffing level, I am advised that the air traffic control system is operating safely and efficiently. Generally speaking, controllers are placed where the FAA needs them, although there are exceptions where added staffing focus is needed. FAA assures me that there are no safety issues associated with staffing levels at any of its facilities.

Question 15. The FAA budget for FY 1994 includes a request to purchase computer equipment for what appears to be equipment for every safety inspector. The total cost of the program is about \$194 million. Is it necessary for each of the safety inspectors to have a workstation? The cost per workstation, based on the FY 1994 budget, excluding maintenance is approximately \$6,993. I have heard that a refurbed estimate is \$5,643 per computer. Under either price, the costs seem high. Could you give me your views on this, particularly given the potential for declining budgets in the future?

Answer. I am advised that the budget estimate of \$5,643 per workstation includes more than just hardware. Software, the prorated cost of printers and other shared/peripheral hardware, and lifecycle software upgrades are also included in that budget estimate. Such automation is intended to maximize the productivity of the safety inspectors, foster electronic interchange with industry, and provide immediate direct access to safety information.

In a time of strict budgets, I agree that we must assure that we are getting the maximum benefit for the taxpayers at the least cost. If I am confirmed, you may be assured that the FAA will aggressively negotiate prices and explore alternative sources to provide the needed equipment at the minimum cost.

Question 16. Past FAA management has fluctuated between allowing autonomy in the field offices and centralizing functions in Washington, D.C. What do you consider to be the best relationship between the FAA headquarters and the FAA field offices?

Answer. I have not had an opportunity to evaluate the relationship between FAA headquarters and the field. Although I have no present plans to change the current

balance that exists, if confirmed, I would want to assure that standardization in FAA practices is promoted and maintained throughout the country.

Question 17. The FAA recently terminated an Airport System Capacity Advisory Committee. Do you believe that such committees are needed?

Answer. I believe there is an appropriate role for advisory committees in the FAA, but there needs to be a thoughtful process in place for their initial chartering, periodic review of their continued usefulness, and for discontinuing those which have fulfilled their intended purposes.

Question 18. There have been several situations in which equipment, in particular an instrument landing system (ILS), has been specifically mandated, but has not been installed for many years. This type of equipment can make airports safer, reduce delays and make a small airport more accessible to aircraft. How can you assure the traveling public, airlines and the general aviation community that delays in installation will be addressed? Is the ILS a procurement problem or a management problem, or is the FAA looking to phase out the program slowly and phase in a new radar system?

Answer. I am advised that the FAA awarded four sole source contracts to accommodate ILS's added by the Congress as well as other airports identified with critical safety and capacity needs. Final delivery is set for April, 1994.

If I am confirmed, I will work to improve FAA's timeliness in acquiring and installing new equipment.

Question 19. In a recent speech before the National Press Club, the Secretary of Transportation talked about the importance of public-private cooperation. In the area of research and development, the FAA has a research budget of \$230 million. How is the concept of public-private cooperation currently applied in the research area, and are there ways to complement the \$230 million to carry out additional and needed research?

Answer. I am advised that FAA has pursued opportunities to use public-private partnerships to complement its R&D activities, both to further FAA's research and development objectives and to support U.S. industry in its development initiatives. A principal example of such partnership arrangements is the Cooperative Research and Development Agreement (CRDA) whereby FAA and industry cooperate on specific R&D initiatives for the benefit of both parties. FAA has CRDA's in place in a number of research areas.

Question 20. Does the Administration support the Senate position to exempt the airlines from the fuel tax?

Answer. I have not been involved in discussions within the Administration on this issue.

QUESTIONS ASKED BY SENATOR FORD AND ANSWERS THERETO BY MR. HINSON

Question 1. On December 12, 1985, a charter aircraft operated by Arrow Air crashed at Gander, Newfoundland, killing 248 military personnel en route home to Fort Campbell, Kentucky. I am still in contact with many of the families of the 248 servicemen involved in this accident. There is a strong feeling among the families that the whole story has never been fully explained by the Federal government. Documents have been sealed and there are many remaining issues. I would charge you, as Administrator, to meet with the families to discuss these issues and do the best that you can to finally resolve the cause of the accident.

Answer. I am advised that the FAA, along with the National Transportation Safety Board, participated in the Canadian investigation of this tragic accident, and that both agencies believe that the investigation was thorough and complete. I also understand that the final report has been the subject of considerable controversy. If I am confirmed, I will do what I can to address the concerns of the families of the servicemen who perished in this tragedy.

Question 2. I have been contacted by individuals involved in the Mall Airways investigation. Mall Airways is a regional carrier based in Albany, New York. The original inspection occurred in 1988 and led to a consent order for Mall Airways to cease operations until certain criteria had been met. This action has taken over four years and the operators of Mall Airways have attempted to ascertain the cost to the government of FAA's actions in this matter. I believe it would be a good exercise for the FAA to inform the committee of the costs of these actions; particularly cases like Mall Airways that drag on for years.

Answer. I am informed that the FAA inspection team, which completed its surveillance in 1988, consisted of four to five inspectors. The most serious finding of the team was that the carrier had made false or misleading entries in several of its pilot training records. A Consent Order, agreed to by Mall Airways and the FAA, re-

quired a complete resubstantiation of the carrier's ability to comply with FAA regulations, including a recertification of the qualifications of each pilot. I am advised that it took until July 1991 for Mall to fully comply with the FAA order and resume operations.

Disposition of three individual cases growing out of this investigation occurred in the four-year period you mentioned. The last case was concluded before the NTSB at the end of 1992. Most involved the NTSB's appellate process. ultimately, the NTSB did not sustain the revocation of the individuals' certificates, although the administrative law judge had found, and the carrier's former director of operations had conceded, that the carrier's records were misleading.

I am told that it would be difficult for FAA to attempt to construct cost figures for its participation because no individual records were kept. The effort was not considered to be inappropriate, however, since only one inspection was conducted and the cases were consolidated for hearing. It appears that the seriousness of the falsification charges warranted a complete investigation and pursuit of this matter. Nevertheless, I understand your concern about the costs that can be incurred in protracted cases such as this and if confirmed, I will be sensitive to this issue.

Question 3. When will the FAA complete action on the proposed changes to Part 103 regarding ultralight aircraft?

Answer. The FAA is seeking to achieve an appropriate balance of safety with minimum regulatory requirements for sport and recreational type flight activity. To address this issue, FAA plans to place this issue before the Aviation Regulatory Advisory Committee to involve the ultra light community in finding an appropriate solution. If I am confirmed, I will see that this issue is diligently pursued.

Question 4. There have been many news articles regarding training at the Federal Aviation Administration's Center for Management Development. What steps have been taken to answer these charges and what do you propose, as Administrator, to eliminate abusive and harassing training methods?

Answer. I am told that the DOT Inspector General's Office has been conducting an investigation of the training to which you refer. Once the report has been completed, I will review it carefully, if I am confirmed. As Administrator, under no circumstances would I authorize training of FAA employees using abusive or harassing methods. We count on FAA employees to act as safety professionals, and I would intend to see that they, in turn, are treated and respected as such.

Question 5. As you may know, my colleague Senator Inouye, has worked with the FAA for over 2 years to see that existing safety regulations requiring pilots be able to see during emergencies involving "hazardous quantities" of "continuous" cockpit smoke be enforced. This is based on evidence that such smoke incidents may have caused or contributed to several accidents in recent years in which hundreds of lives were lost. The FAA has determined not to define "dense continuous smoke" as "hazardous quantities of smoke." As a result, Senator Inouye has introduced legislation, S. 787, requiring the FAA to enforce this regulation by means of an Airworthiness Directive. Do you feel that an Airworthiness Directive is needed and can it be issued promptly?

Answer. I am committed to a prompt, objective review of this issue, if I am confirmed. If I find that regulatory action is needed, I will not hesitate to take it. After my review of the matter, I will be pleased to provide you with my thoughts on this issue.

Question 6. I have been contacted by FAA personnel in San Diego, California. In the course of consolidation over the past five years FAA is now treating this activity as an Adverse Action. Why was this consolidation considered an Adverse Action and what ramifications are there for the controllers at these facilities?

Answer. The FAA assures me that the consolidation of five Level V TPACONs in the Southern California area is a job reassignment action, not an adverse action. Employees who are to be relocated from existing facilities in the Los Angeles basin to San Diego have been offered employment at the new facility, or may elect to take discontinued service retirement, regular retirement, or other options available under the Office of Personnel Management (OPM) regulations. All possible benefits and consideration will be extended to every employee involved in the consolidation process.

FAA officials advise that an agreement with NATCA (the controllers union) for a release policy was developed to ensure that adequate staffing can be maintained at the facilities through the transition period. Whenever consistent with the release policy and OPM regulations, controllers who do not want to move to San Diego are placed in facilities in the local area. The FAA assures me it is making every effort to accommodate each individual's desires.

Question 7. There are times that it takes up to eight months for the FAA to answer my correspondence. Just recently, I got an answer to a question I had raised

in an FAA oversight hearing a year before. I am certain the FAA can do better in responding to the public and the Congress. What do you plan to do as Administrator to make the FAA more responsive?

Answer. I understand your concern—eight months is far too long for an FAA response. I fully agree that FAA can and should do better. If I am confirmed, I will stress with agency senior management my commitment to being responsive. I intend for FAA to work effectively with the Congress, the public-at-large, and the aviation community, and to do so we must be responsive.

Question 8. Some analysis has been done about the benefits of the Global positioning satellite. What kind of analysis has been done to assess the cost ramifications for airlines, their passengers, and other aviation users and what details can you provide about these costs?

Answer. FAA is currently conducting a cost-benefit analysis of satellite navigation. I am advised that this analysis should be completed in September. As a general observation, GPS receivers are decreasing in cost as the system comes into more widespread use. A significant cost saving is expected in the future, since GPS will be providing accurate time and position information in virtually all phases of flight with a single receiver.

If I am confirmed, cost ramifications will be an important factor in FAA equipment acquisition decisions.

Question 9. One of the greatest issues facing the FAA, in the mind of this Senator, is the allocation of slots at congested airports. This year marks the 25th anniversary of a “temporary” rule setting strict limits on the number of operations at four high density airports. The original justification has long been forgotten. Major changes have been made in the air carrier industry and in air traffic control that make the current rule obsolete. There is no longer a legitimate claim that this is a “safety” rule. The FAA will not allow more airspace activity than is safe regardless of the existence or non-existence of slots. It is particularly hard to believe that, after spending billions of dollars to modernize the air traffic control system, the FAA cannot handle even a few more jet operations at these airports than they did 25 years ago. What is your view on the slot rule?

Answer. The FAA promulgated the High Density Traffic Airport Rule (HDR) about 25 years ago to reduce congestion and delays at five congested airports. Newark was later dropped from the rule's requirements. The HDR was intended as a delay reducing mechanism to ease congestion at these airports. As the air traffic environment has changed, several changes have been made to the rule. Many of these changes have been at the request of the airline industry.

I am advised that, even though the FAA routinely reexamines the HDR and changes that should be made, the FAA has not determined a better mechanism for reducing delay and congestion at the high density airports. As such, the rule represents the agency's current best thinking on this topic. I have no better solution to offer at this time, but, if confirmed, would keep an open mind bout approaches others believe might be better.

Question 10. There is an effort to make the air traffic control tower at Bluegrass Field, Lexington, Kentucky, remain open for 24 hours. There are significant operations from midnight to 6:00 AM to justify a 24-hour tower operation. I understand this is a safety issue and there is no additional cost to the FAA. Would you please look into this situation and advise me if making this tower a 24-hour operation is feasible?

Answer. I am told that the Bluegrass Field Air Traffic Control Tower is currently operational 15 hours a day. FAA's Southern Region has initiated a formal assessment of user demand during the period of closure to determine the appropriate operational hours. If confirmed, I will review the assessment once it has been developed, and report back to you with my findings.

QUESTIONS ASKED BY SENATOR PRESSLER AND ANSWERS THERETO BY MR. HINSON

Question 1. Are you satisfied with the FAA's actions following the plane crash in Dubuque, Iowa? Should the current airworthiness directives that have resulted from the accident be expanded to include other aircraft with similar propeller assemblies?

Answer. I am not familiar with many of the specific details of this accident and the ongoing investigation, although I have been briefed by FAA staff. It appears that FAA acted promptly following the Dubuque tragedy, based on the technical data available to them at the time. They have since expanded the coverage of the airworthiness directive issued then. If confirmed, I will see that the facts of this accident are carefully reviewed, and that the FAA promptly expands the applicability of the airworthiness directive if the technical information supports that action.

Question 2. How can disagreements that create agency "gridlock" be resolved more expeditiously?

Answer. Throughout my career I have always placed the highest priority on resolving safety issues. If confirmed, I intend to insist on open communications and a close, constructive working relationship between FAA and the National Transportation Safety Board.

Question 3. The FAA admitted that it took an accident to issue a directive along the lines of an NTSB recommendation. To your knowledge, has this situation ever happened before, or was the Iowa incident an isolated case?

Answer. I understand that over 2900 safety recommendations have been issued to the FAA by the NTSB, and that there have been very infrequent instances in which FAA did not determine to issue an airworthiness directive until after an accident occurred. I have not had the opportunity to research this in detail, but one example that immediately comes to mind is that of the DC-10 cargo door nearly 20 years ago. There may be one or two other examples, but I am advised that it is a very rare occurrence.

Question 4. In your opinion, what is the current administrative relationship between the DOT, the FAA, and the NTSB? As FAA Administrator, what changes, if any, would you make? What role do you feel the DOT should play in its relationship with the FAA and the NTSB—particularly with regard to aviation safety?

Answer. The NTSB is charged by statute with accident investigations and with making safety recommendations to the FAA. The FAA works alongside the NTSB on its accident investigations, and is responsible for reviewing and responding directly to NTSB recommendations. It is my understanding that DOT's role is one of general oversight, helping to assure that FAA and other transportation modes are complying with the response times set for NTSB recommendations and working cooperatively with the NTSB. I believe this framework is the appropriate one, since FAA possesses the technical expertise and direct responsibility for addressing aviation safety issues. I would add that, if I am confirmed, one of my early actions will be to meet with the NTSB Chairman. I want to personally discuss with Chairman Vogt the ways that he and I can improve what I have been told is already a good working relationship between the NTSB and FAA.

Question 5. Do you feel that the FAA, like the NTSB, should be an agency independent of the DOT? Would such independence better serve safety enforcement? What is the Administration's feeling on these issues? Do you agree with the Administration's position?

Answer. I do not believe that FAA's safety enforcement would change by making the FAA an independent agency. In my view, an agency's safety enforcement program is a direct reflection of the policies and leadership of the individuals who head the agency. If I am confirmed as FAA Administrator, you may be assured that safety will be vigorously promoted by the FAA, and that there will be no question within the agency about where I stand on safety. I am unaware that the Administration has taken a position on the specific structure of the FAA, although I know that it has been an issue that is being explored by the National Commission to Ensure a Strong Competitive Airline Industry.

Question 6. What are some ways that the DOT could best utilize the FAA or other DOT resources to promote and enforce small aircraft safety?

Answer. I have asked for and received some preliminary briefings from FAA officials on small aircraft safety. Although I will be receiving more in-depth briefings on this topic, if I am confirmed, I am impressed with the commitment to safety I have seen. I believe the FAA needs to continue to work with manufacturers and pilots on ways to further improve the safety of small aircraft. I would also continue the FAA's active safety outreach program in the general aviation area. The overall general aviation safety record is quite good, and shows continuous long-term improvement. Nevertheless, as in all areas of safety, the FAA must continually look for regulatory and operational improvements that will advance safety in a thoughtful, cost-beneficial way. I would intend to provide the leadership to see that FAA is doing all it should in this area.

Question 7. What is the FAA definition of an unsafe condition? Do you agree with this definition?

Answer. I am not aware of a formal definition FAA has adopted for an "unsafe condition." To me, in plain words, it is a condition which presents a hazard to the continued safe flight of an aircraft.

Question 8. Are you aware of any problems other than cracked hub arm assemblies associated with the Hartzell propeller (the propeller on the Mitsubishi MU-2B aircraft)?

Answer. All propellers have the normal "problems" associated with continued use and wear, and need careful maintenance attention. Other than these normal main-

tenance-related problems, and an issue which has been addressed involving the blade clamping mechanism, I am unaware of any additional problems with the MU-2B propellers.

Question 9. Has the NTSB made any other recommendations to the FAA regarding other problems with this type of propeller? If so, what were those recommendations?

Answer. I am unaware of any other recommendations made by NTSB on this propeller, beyond those issued in 1992.

Question 10. Seemingly, the FAA measures safety by accidents that have already occurred. As the Dubuque incident demonstrates, it took an actual catastrophic event to pressure the FAA to act. It seems that it doesn't matter to the FAA how close an accident is to occurring—if it doesn't happen, the FAA doesn't act. Should the FAA be keeping score this way?

Answer. From my experience in aviation, I am unable to agree with the premise that it takes an accident for the FAA to act. Compiling the accident records of the different segments of the aviation industry, as is done by the NTSB, provides a general basis for measuring safety gains achieved. For example, NTSB safety data shows that, in 1975, the general aviation accident rate per 100,000 flight hours was 13.59. The long-term trend has been downward since that time, and preliminary NTSB data shows that rate dropped to an all time low of 7.65 in 1992. If confirmed, I will continue to pay attention to the historical safety trends in aviation, but I will stress the ongoing analysis and review of real-time operational and incident data in order to concentrate our focus on accident prevention.

Question 11. Was the way the FAA handled the Utica and Dubuque accidents "business as usual"?

Answer. Based on the preliminary briefing I have had on these accidents, I am unable to conclude that the FAA staff acted improperly after the Dubuque tragedy. I am advised that the propeller failure in question had never occurred, despite tens of millions of hours of use of similar designs, before the Utica accident. It appears, from what I have been told, that the FAA, the manufacturer, and other safety experts were trying to develop a test to detect a potential propeller failure before the Dubuque tragedy, but were unable to do so in time to avert that accident. I do not think that the data from Utica were being ignored, but I know all involved wish that the nondestructive tests could have been developed more quickly. In fact, as I understand it, these nondestructive tests are still proving difficult to design and develop despite the very high priority everyone is placing on them.

Question 12. How does the FAA measure safety? Would you make any changes? If so, what would those changes be?

Answer. The measurement of safety is a very complex issue. Even the most sophisticated experts don't have a simple answer to this very complex question. I think we have to use a variety of tools to look at safety from a variety of angles, so we can define the best actions to continuously improve aviation safety depending on the situation. If confirmed, I will be closely involved with the day-to-day performance of our air transportation system in order to respond quickly to safety issues that may arise.

Question 13. Why is the FAA so quick to act on recommendations after the fact—after a catastrophe occurs?

Answer. The FAA needs to act as quickly as it can to eliminate safety problems as soon as it has good data in hand. An accident is one piece of data which must be acted upon immediately. If confirmed, I will ensure that the FAA continues to act as quickly as prudence will allow when accidents occur. But I will not limit our actions to reacting to accidents. We will be as proactive as possible, to avoid accidents and save lives.

Question 14. Why isn't the FAA more proactive? Isn't the FAA supposed to prevent aviation catastrophes?

Answer. The FAA actually acts far more often to prevent accidents than most people realize. During my career in manufacturing, as an airline executive, and as an aircraft owner and pilot, I have seen literally thousands of FAA directives that were issued to prevent accidents. The public rarely hears of these. For example, the FAA will issue something near 350 airworthiness directives this year. The vast majority of them are issued to prevent accidents, not because of an accident.

Question 15. If you could change the procedure of the FAA in deciding on a course of action to alleviate a safety problem, what change would you make? For illustrative purposes, what would those changes be in the context of the NTSB's and FAA's actions following the 1991 incident in Utica, New York?

Answer. If confirmed, one of my first actions will be to satisfy myself that our relationship with the NTSB is as good as it can be. I don't expect us to immediately accept and carry out every one of their recommendations, because the two agencies

have different factors to consider. But you can be assured that we will promptly and carefully consider every recommendation received, with a strong bias toward implementing them. I have not yet had a full opportunity to review the details of the actions taken after the Utica accident, so I cannot make a specific suggestion as to how I might have done things differently. But that will be one of the case studies from which we can learn in our efforts to improve safety.

Question 16. Is the relationship between the FAA and the NTSB too "cozy"?

Answer. From what I have seen, I do not see a "cozy" relationship between FAA and NTSB. The agencies have somewhat different charters, and different responsibilities. If confirmed, I will work to ensure that our working relationship is open and candid, with full and frank discussions on all safety issues. I can assure you and the members of the NTSB of my personal commitment to safety, and to working with them at the highest levels to do everything we can to improve the excellent safety record we already enjoy in aviation.

Question 17. Please review pages 50-51 of the Aviation Safety Commission Report and respond to the rulemaking examples shown in terms of the length of time taken. In particular has FAA acted on the misfueling issue, and is there technology to prevent this problem?

Answer. This response is based on the information provided me by FAA during my initial briefings on each of the three specific cases cited.

With respect to prevention of misfueling accidents, in the early 1980's, the General Aviation Manufacturers Association worked with the industry and the FAA to develop fuel filler adapters to prevent misfueling accidents. These adapters were provided free of charge to owners and there was significant publicity in the aviation trade press and elsewhere to encourage the installation of these adapters. In 1986, the NTSB issued a recommendation that the FAA issue airworthiness directives to mandate fuel filler adapters for specific light twin airplanes. The FAA complied with that recommendation in September 1987, by issuing final airworthiness directives after providing an opportunity for public comment. The technology is available and being installed. I am advised that all general aviation aircraft now being manufactured in the U.S. have fuel filler adapters. Moreover, a recent change to the airworthiness standards for small airplanes requires new design aircraft to incorporate fuel filler adapters.

On the topic of seat strength, the NTSB recommendation in 1970 proposed an increase in the static seat strength. This would have made the seats more rigid, and transferred more of the load to the occupant, causing more injury. The FAA rejected the recommendation for that reason, and instead embarked on a new concept of dynamic seat strength. This concept more accurately represented the dynamic environment of a typical crash event and focused on passenger survival as the pass-fail criteria. In the early 1980s, the FAA appeared before Congress and presented the research and development program that was underway to develop new seat standards for all categories of aircraft. FAA indicated it would take until the middle of 1986 to deliver the proposed standards. FAA delivered the product very close to the predicted time. FAA officials have advised me that the two years from issuance of a Notice of Proposed Rulemaking (NPRM) to promulgation of a final rule was essentially a result of the numerous comments received and the newness of the technical concept.

With respect to the 16G Seat issue, I am advised that all currently manufactured airline aircraft have 16G seats. I have also learned that the FAA has had for several years a pending Notice of Rulemaking to consider a retrofit requirement for existing airline aircraft. If confirmed, I will see that this issue is given a higher priority and addressed in the near term.

As a general observation, I would like to note that I recognize the importance of timely action on safety initiatives such as these and, if confirmed, will work to expedite the agency's actions in such cases.

Question 18. Was the May 1989 accident involving a flight carrying South Dakotans that crashed in Indiana caused by misfueling? Has FAA issued regulations to address this issue?

Answer. I am advised by FAA that the accident was not caused by misfueling. The National Transportation Safety Board determined that the probable cause of the May 26, 1989, Greenwood, Indiana, accident was "Inadequate preflight and improper use of the fuel system, which resulted in fuel starvation and improper use of emergency procedures." The NTSB found that, after an unscheduled stop at which the pilot ordered fuel for the outboard tanks but not the main tanks, the pilot did not visually check the fuel level before takeoff. Further, during the investigation, it was determined that the fuel selector switches were positioned on the main tanks. Fuel samples from the airplane proved that the correct fuel was on board the aircraft, indicating that it had not been misfueled. Since the cause of this accident was

not apparently related to misfueling, no regulatory action was taken in response to the accident.

Question 19. How does FAA measure safety? How do you measure safety? What changes would you make?

Answer. The FAA recently implemented a System Indicators Program, which contains measures that reflect current and past system performance. Of these, the primary statistical measures are the accident and incident rates. Accident rates are based on flight hours and/or departures for major categories of operation such as large air carriers, commuters, air taxis, and general aviation. Incidents include categories such as controller operational errors, runway incursions and near midair collisions. The accident and incident indicators are used to determine trends and significant areas of change over time. Although this appears to provide a good basis for general assessment of the performance of the system, I am not sure that it can fairly be considered a true measurement of system safety. Incident data, for example, typically does not bear a direct correlation to actual accidents. I have not had an opportunity to determine whether this system would fully meet my requirements for data collection and analysis. For example, I would like to consider conducting more risk assessment, and improved analysis of the effect of various regulatory, program, and equipment changes in the aviation system.

Question 20. Does the FAA have a definition of "unsafe condition"?

Answer. I am advised that the FAA has no formal definition of an unsafe condition.

Question 21. What factors, standards/criteria does the FAA look at then considering NTSB recommendations? What will you use? Does NTSB often write FAA a second time on recommendations it has made?

Answer. The FAA examines every reasonably ascertainable factor of significant relevance to an individual safety recommendation. First and foremost, it seeks to identify the safety issue and to determine what actions are necessary to appropriately address the issue. A key element is the relative urgency of taking corrective action. In its review, FAA evaluates the adequacy of the measures presently in place, the rationale or logic of the proposed corrective action, the possibility that the proposed corrective action would fix one deficiency but create another, and whether there are alternate measures in addition to what the NTSB proposed. The FAA also considers the degree to which the manufacturer is involved in the process and how those affected will be impacted by the various options. Finally, the FAA considers the means that should be used—rulemaking by the FAA, publication of service information by the manufacturer, or the many nonregulatory avenues FAA uses to get information to the industry. In short, FAA must consider all pertinent aspects of a safety recommendation to ensure that the issue is addressed completely.

While my briefing by FAA and initial review of some of FAA's responses to NTSB recommendations does not immediately call into question the FAA's approach, I will, if confirmed, emphasize the continuing requirement to carefully consider the need for implementing timely corrective action.

With respect to written NTSB follow-up to the FAA, I am advised that the NTSB frequently contacts the FAA in writing after an initial recommendation. In almost all cases, there is correspondence between the agencies on the status or disposition of FAA action in response to safety recommendations. Most of these cases involve correspondence seeking to clarify an FAA response or to suggest additional corrective action.

Question 22. Do you believe the areas that the 1988 Safety Commission was instructed to study were broad enough? What additional areas, if any, do you think should have been included in the Commission's review?

Answer. I am told that the Safety Commission studied, over a ten-month period, a broad range of issues gathered from discussions with a wide range of the aviation community. While there were, and remain, numerous aviation issues requiring careful and prompt examination, I believe that the Commission did address many key issues.

Question 23. Do you believe any positive action has taken place which directly resulted from the 1988 Commission?

Answer. Yes. I am advised that a majority of the Commission's safety concerns were acted upon by the FAA. For example, following the Commission's report, the FAA established an office of rulemaking to provide a central focal point for rulemaking efforts and also instituted a revamped surveillance and inspection program with much stronger national direction.

Question 24. What are your plans or thoughts for addressing some of the Aviation Safety Commission's research and findings?

Answer. Although the Aviation Safety Commission recommendations were addressed shortly after the issuance of the Commission's report, it is appropriate for

the FAA to review the Safety Commission's work—and the related work of several other studies—as the FAA considers recommendations emerging from the National Commission to Ensure a Strong Competitive Airline Industry.

Question 25. Mr. Hinson, how does the FAA initiate inspections of airports and aircraft? Are they "surprise" inspections—somewhat like the procedures OSHA inspectors follow—or does the FAA provide prior notification to an airline, aircraft manufacturer, or airport that an inspection is forthcoming? Do you have any plans to revise the current inspection policies?

Answer. The FAA uses both approaches, depending upon the nature and type of inspection.

I am advised that, in its inspection of aircraft and airmen, the FAA uses a three-phased approach: nationally-directed teams, regionally-directed teams, and local inspector surveillance. For national or regional teams, the policy is either to provide no notice or minimal notice of a planned inspection. For local inspections at an operator's home base or major facility, prior notification is usually given to ensure that the operator's key management personnel are able to participate. For inspections not physically located at an operator's major base or facility (or during airline operations), advance notice is usually not given.

With respect to airports, each certificated airport is inspected once annually. Prior to the annual inspection, an airport is provided notification of the dates of the inspection so that the airport owner may have the proper records and documents available for inspection. However, certificated airports are subject to surveillance (or no-notice) inspections as well as follow-up inspections at any time.

At present, I have no plans to revise these methods of inspection.

Question 26. What role does passenger volume play in airport certification and inspections?

Answer. Passenger volume plays an indirect role in airport certification but not in the airport inspection program. Airports are categorized as Index A, B, C, D, or E, according to the largest (longest) size of aircraft which uses an airport and frequency of use of that type of aircraft. The largest airports, such as Kennedy, O'Hare, and Los Angeles, are Index E airports because they receive large type aircraft such as B-747s and DC-10s. These are also the same airports which have high passenger volumes. Index A airports receive service by much smaller aircraft and do not have the passenger volume that the higher index airports have. The most stringent certification standards are imposed at Index E airports. All certificated airports, regardless of category, are scheduled for an annual FAA inspection.

Question 27. What are your views on establishing the FAA as an independent agency, separate from the Department of Transportation? Taking it a step further, what are your thoughts on privatization of the FAA?

Answer. I have not yet formulated any views on this issue. I am aware that the National Commission to Ensure a Strong Competitive Airline Industry will likely recommend incorporation of the air traffic control system, and, if confirmed, I will work with Secretary Peña in reviewing the merits of this proposal.

Question 28. Please explain the current process for FAA rulemaking? Is it true that rulemaking on airline safety matters can take more than 200 separate steps, taking up to 15 years to complete on some occasions? How do you propose to streamline the FAA rulemaking process?

Answer. First, let me express my concern that the regulatory process takes too long in many instances. Much of this time appears to be caused by the burdensome nature of the process itself. In a typical case, the FAA, before proposing a rule, must meet the requirements of about 15 separate legislative and executive order mandates. An FAA draft proposal must then be reviewed by DOT and OMB before publication in the Federal Register. Following the receipt of public comments, the FAA must evaluate and respond to public input before developing a final rule. Often comment periods are extended or reopened at the request of the interested public. The final rule is then coordinated with DOT and OMB before issuance. In the aggregate, these steps take substantial time.

If confirmed, I would actively seek ways to streamline the process while maintaining high quality and well-thought out rules. The early involvement in the process of those who may be affected may be of help in this process by providing early, public input on costs and alternatives that may facilitate achieving final rules. I know the FAA has initiatives underway to examine the rulemaking process. If confirmed, I will actively promote creative solutions to streamline the rulemaking process.

Question 29. Obviously, the Commission places a high emphasis on weighing costs versus benefits when it comes to issuing safety regulations. Do you agree with this type of analysis? How is cost-benefit measured in terms of safety? With lives?

Answer. I believe that an important element in considering regulations is careful evaluation of the true costs and the true benefits of a proposal. The FAA should

consider different regulatory alternatives, and implement those which provide the maximum safety for the traveling public most efficiently. One of the primary "benefits" from increased safety is, of course, the numbers of lives that can be saved through effective safety regulations, and this is a key part of the analysis.

Question 30. Do you think that the FAA should pursue some international accord that would create a worldwide system of flow-control? If not, then how do you plan to address this problem?

Answer. The FAA recognizes that the efficient movement of air traffic throughout the world, as well as within the United States, depends upon the ability of worldwide Traffic Management Flow Units to share scheduled and actual flight information in a timely and usable manner. To accomplish this, the FAA is expanding its relationship with Traffic Flow Management Units worldwide.

During the past year, the FAA has participated in informal and formal meetings with EUROCONTROL, Great Britain, and Transport Canada to discuss sharing critical flight information and traffic management issues as they pertain to common traffic flows. These meetings have proven valuable in validating the need for continued collaboration and provide a basis upon which to build real-time, aircraft movement information processes. In the future, these meetings will include other Worldwide Traffic Management Flow Units. Additionally, traffic flow management experts from various countries have participated in two technical exchange seminars in the last two years to share expertise and ideas.

Current traffic management procedures utilized by the Air Traffic control System Command Center exclude international arrival traffic from their national ground delay programs.

Now under discussion is a common automated means of sharing scheduled and actual traffic data, which will help eliminate unnecessary restrictions between Traffic Management Flow Units and provide a foundation for planning. An objective is to link all air traffic flow management systems to provide for global planning.

Question 31. Do you support federal funding for the EAS program? What additional steps will you take to ensure that rural areas maintain adequate and effective air service to connect them with the rest of the nation?

Answer. While I understand and appreciate your strong interest in service to these communities, the EAS program and provision of service to rural areas are not within the FAA's purview, but rather fall within the economic regulatory authority of the Office of the Secretary of Transportation.

Question 32. Could you explain to me why It is often more expensive and more difficult to travel by air in my own home state than it is to travel long distances domestically and, at times, even internationally?

Answer. Long distance travel by air between major metropolitan areas is often comparatively inexpensive because of the ability of the carrier to use large aircraft and to spread the cost of flying these long hauls over a large number of passengers. Part of the reason for the lower air carrier costs per passenger mile is that some aircraft operating costs—such as the fuel cost of using gates and paying airport-related fees—will be about the same regardless of the length of the flight. In addition, the cost of climbing to cruising altitude needs to be incurred only once per flight. Also, on more heavily traveled routes, individual carriers are able to offer more frequent service—making service more convenient for the traveler. Such routes also attract service for competing carriers, which can further contribute to lower air fares.

Question 33. How does the FAA work within the Department of Transportation in regard to the issue of international air service and the "open skies" policies?

Answer. I am advised that, when the FAA is notified by DOT that a foreign air carrier is seeking economic authority to operate into the United States, FAA determines whether the foreign civil aviation authority of the air carrier provides sufficient oversight in accordance with ICAO standards. Also, FAA assesses whether the air carrier has the necessary organization, personnel, and equipment to conduct safe operations into the United States. DOT will not issue economic authority to the applicant until FAA provides a positive safety recommendation. Once DOT issues the economic permit, FAA issues Part 129 operations specifications for the foreign air carrier.

Since "open skies" involves economic agreements for liberalizing international passenger and cargo service, it is my understanding that the FAA has little or no involvement.

Question 34. When there is an international aviation accident, what role does the FAA play, if any?

Answer. FAA has actively participated in investigation of aircraft accidents outside the United States, especially where foreign accidents involve aircraft that were registered or manufactured in the United States or were operated by U.S. air carriers. FAA has participated in 39 foreign investigations since 1989. Although the

government of the country in which an accident occurs has primary responsibility to conduct the investigation, FAA and NTSB often send experts to assist in the on-scene activities. The information FAA obtains from this participation has resulted in many safety improvements over the years, and, if confirmed, I will support FAA's continued future involvement in this activity.

Question 35. What steps do you think need to be taken to revitalize a once vibrant [general aviation] industry and put Americans back to work?

Answer. Most importantly, believe we need strong positive growth in the general economy. General aviation also need better access to airports, better and cheaper technology, and more cost-beneficial regulations.

In particular, the FAA, in partnership with industry, developed the General Aviation Action Plan, which involves a number of programs aimed at improving general aviation. I will review and revise that Plan as necessary to assure that programs benefiting general aviation are actively implemented.

Question 36. What steps would you take as Secretary of the FAA to ensure that recommendations of the NTSB (National Traffic Safety Board) are fully implemented by the FAA and throughout the aviation industry?

Answer. I believe a key role of the FAA is to afford priority to issues identified by the NTSB through its recommendation program. Valid safety issues must be addressed fully and completely by the FAA and meritorious recommendations implemented as rapidly as each issue requires. The best way to ensure that the FAA and industry respond fully to such safety issues is to make known clearly and strongly my commitment as Administrator and that of my senior executives to treat each NTSB recommendation as a priority action of the agency.

Question 37. I am concerned that rural areas are shortchanged in general aviation developments. What measures would you push or put in place to strengthen general aviation, particularly in rural and more remote areas of our country, such as the state of South Dakota?

Answer. I am advised that FAA's National Plan for Integrated Airport Systems (NPIAS) is the primary vehicle for support of airport facilities. There is an extensive system of general aviation airports, primarily serving non-urban areas of the country. Some 2,432 of the 3,261 airports in the current NPIAS (75 percent) are general aviation airports. Airport Improvement Plan funds are granted to States on a legislated formula basis, and provide significant levels of investment to largely rural states. In addition, the FAA, in cooperation with NASA, is exploring new technologies that may provide new personal and small commuter airplanes, which would increase capacity and offer realistic air transportation for small communities.

If I am confirmed, you may be assured that I will see to it that rural areas are not shortchanged in FAA programs. It is in providing access to and egress from non-urban areas that general aviation often has its greatest utility.

Question 38. Do you support the enactment of limits on the Doctrine of "Strict Liability" for manufacturers of general aviation aircraft?

Answer. I have not analyzed this issue and, as a non-lawyer, I do not have an informed judgment regarding this doctrine.

Question 39. Which of the bills before Congress in recent years for the curtailment of Product Liability laws do you support or oppose? Why?

Answer. As I testified during my confirmation hearing, I have no specific views to offer on product liability legislation. I know that Members of the Committee have strong views on both sides of the issue, and would hope that it is possible for a resolution to be reached that satisfies all parties.

Question 40. What can the FAA do to insure that the aviation industry grows here in the United states and does not continue its trend to migrate to foreign sites (such as Canada, the Pacific Rim, Europe, the Balkan States, etc.)?

Answer. I feel strongly that aircraft manufacturing in the United States is an integral part of our economic base and world position.

Many of the major forces at work in the globalization of the manufacturing industry transcend the authority and control of FAA. There are major questions about subsidy of manufacturing by governments, for example, which are being dealt with by international trade negotiating teams.

However, it is likely that the National Commission to Ensure a Strong Competitive Airline Industry will make a number of recommendations in its final report dealing with aircraft manufacturing for both small and large aircraft. If I am confirmed, I would plan to participate in the review of those recommendations.

Question 41. Are you in favor of the increased taxes (for example, registration fees for pilots and aircraft) as now proposed within the new budget and adopted by the House? How will this help the aviation industry?

Answer. I am sensitive to the needs of the general aviation industry, and I am also aware of the need for the Administration to act to reduce the Federal deficit.

Although the proposed annual registration fees will increase slightly the percentage of costs of FAA services paid by general aviation, I am told that revenues will remain far short of the costs of services provided by FAA to the general aviation industry.

Question 42. Are you in favor of the BTU tax?

Answer. This is not a matter within the FAA's purview, and I have no relevant views on this matter.

Question 43. Mr. Hinson, do you believe that airports should have authority to adopt and impose PFC's (Passenger Facility Charges)?

Answer. Yes. The PFC program provides public agencies important flexibility in financing their capital development programs.

Airports can now make local decisions about airport improvements, and use PFCs as a dependable local revenue stream to finance those improvements. With PFC revenue, airports are able to pursue terminal and other landside projects, which are normally beyond available Airport Improvement Program (AIP) funding. For small airports, the program has provided needed local matching revenue, enabling these airports to take advantage of airport grants.

Question 44. How do you propose to utilize the funds which are already accumulated in the Aviation Trust Fund for the benefit of airports and aviation development throughout the country?

Answer. Monies in the Aviation Trust Fund will be used to finance FAA programs to modernize, operate, and maintain the Nation's airport and airway system. These programs include the Airport Improvement Program, the Facilities and Equipment program, the Research, Engineering, and Development Program, and FAA Operations. The FAA's budget for these programs has grown substantially since the early 1980's, from \$3.1 billion in FY 1982 to \$8.9 billion in FY 1993—a growth rate of about 10 percent annually. In addition, a limited amount of Aviation Trust Fund monies are available to fund Small Community Air Service and NOAA aviation weather services.

The uncommitted balance (surplus) of the Aviation Trust Fund peaked at \$7.7 billion as of the end of FY 1991, and will fall to approximately \$4.4 billion by the end of FY 1993. Projections for the uncommitted balance show that it will decline to approximately \$3.7 billion in FY 1995 and 1996.

Although indicating a continued surplus, this projection is dependent on a strong recovery of air traffic over the next five years. Continued problems in the airline industry (resulting in annual revenue growth of 4 percent or less) would lead to the elimination of the Aviation Trust Fund surplus prior to the end of FY 1997.

Question 45. Will you continue to support the FAA's current policy of encouraging the development and deployment of new trainer aircraft and "Primary Category" aircraft through certification of such aircraft as "Home-Built," and "Kit-Built" and other "Experimental Aviation Aircraft" (EAA)?

Answer. If I am confirmed, I will actively support this policy, which helps achieve the delivery of affordable airplanes to the public.

Question 46. FAA regulations, policies, and procedures written in the 1930s, when aviation was in its infancy, are still being enforced. As Administrator, will you begin, with the help of the aviation industry, a review of those regulations, procedures, and policies that need to be eliminated or modified to meet the challenges of this vital industry for the future?

Answer. As I indicated during my confirmation hearing, we are in a time of dramatic change and FAA must adapt to that change. I certainly agree that obsolete, outmoded, or otherwise unnecessary regulations should be eliminated. If confirmed, I would work with the aviation industry and others for advisory assistance in helping to identify regulations that should be modified or eliminated.

Question 47. Specifically, what can the FAA do to remove regulatory barriers that will allow all segments of aviation to compete in the new global economy?

Answer. There are several FAA actions that may enhance competitiveness. The FAA's ongoing effort to harmonize U.S. aviation regulations with those of its European counterparts is a giant step forward. Also, eliminating unnecessary regulations will help. Finally, moving toward unifying the aviation system worldwide, such as the recent reclassification of airspace, promotes better global operations.

Question 48. The General Aviation Industry is in crisis. What are your views about its future role, and how can your Agency help with its revitalization?

Answer. General aviation is an important component of both the aviation industry and our national economy. It provides aviation services that commercial aviation cannot or will not provide. In addition, the production and sale of general aviation aircraft, avionics, and other equipment, along with the provision of support services such as flight schools, fixed base operators, finance, and insurance, make the general aviation industry an important contributor to the nation's economy. We need

to pursue vigorously a partnership with industry so as to implement measures such as the FAA's General Aviation Action Plan. We need to pursue appropriate regulatory relief for the industry, while maintaining a high level of safety. On a positive note, the new, small airplane certification program, developed by FAA to simplify and accelerate the certification of general aviation aircraft, is providing real relief to the general aviation manufacturers—especially the manufacturers of amateur-built aircraft.

Question 49. Will you as Administrator, continue to encourage the aeromedical industry to participate in future rule making efforts, such as initiating an aeromedical FAR, that will further enhance the safety and well being of those patients being transported by air?

Answer. Yes. I recognize, appreciate, and would continue the unique association of FAA, private aviation experts, and medical professionals that has created a technically sophisticated system of life sustaining care for ill or injured passengers during air transportation.

Question 50. How will you as Administrator ensure the public that when they engage the services of an air ambulance operator, that provider meets the minimum standards of the Air Ambulance Operating Specifications?

Answer. An air ambulance operator must be certified by the FAA as an air carrier under Federal Aviation Regulation Part 121 or 135. A high level of aviation safety is assured in air carrier operations through this strict certification process. Carrier capability is continually reevaluated by the FAA with inspections and evaluations performed by inspectors at FAA Flight standards District Offices.

Question 51. As Administrator, how are you going to insure that an air operator with facilities in different FAA regions can expect regulatory enforcement consistency?

Answer. I recognize that this has been a long-standing issue with the FAA, given its size, disparate facilities, and diverse regulatory functions. If confirmed, I will assure that adequate policy guidance and oversight are provided to the field to promote consistency among regions. I am told that the Flight standards Service issued a new, standardized handbook to its inspectors last October, and that this handbook has helped provide greater consistency. I will push for continued progress in areas such as this.

Question 52. What are your views on the impact of deregulation on aviation safety?

Answer. Although total and fatal accident rates have fluctuated both before and after deregulation, the long-term trends in commercial aviation have been downward. The aviation safety record has improved significantly since the implementation of the Airline Deregulation Act of 1978. Accident rates among the major airlines consistently approach or set new record lows. All data shows that deregulation has not affected aviation safety.

Question 53. Can I get your assurance that you will take action on this issue [cockpit smoke] as a top priority of your Administration?

Answer. I assure you I will give the issues you have raised concerning smoke in the cockpit a top priority if I am confirmed. I will impartially review the facts and issues concerning this matter and will make a decision as to whether or not FAA should act to mandate changes in this area. You have my assurance that I will take whatever action is necessary should I identify a problem, including consideration of a corrective airworthiness directive.

Question 54. I am informed that FAA has in the past issued Airworthiness Directives in a matter of a few days. Do you feel that an Airworthiness Directive can be issued promptly, (i.e., within 30 days) without us having to resort to legislation?

Answer. Airworthiness Directives must issued in accordance with the Administrative Procedure Act (APA). Except in emergency situations, the APA requires the publication of a Notice of Proposed Rulemaking (NPRM) to provide a full opportunity for public comments, and the consideration of all comments received before issuance of a final rule. The publication and comment period in non-emergency situations would likely take at least 6 months.

Question 55. If pilot vision is severely impaired, or completely lost, because of too much smoke, from a "continuous" source, do you agree that this is an unsafe condition?

Answer. Yes.

Question 56. I understand that the FAA in its Draft Advisory circular 25-9A, to show compliance with the safety regulations (FAR 25.831(d)), recommends that future generations of aircraft be able to evacuate or displace "dense continuous smoke." These new generations of aircraft won't be flying for about 20 years, however. Given that existing planes can easily and cost effectively be retrofitted to deal

with dense continuous smoke, why should we wait 20 years and risk more loss of lives?

Answer. As I have indicated, this is an area that I will review carefully if I am confirmed. The concerns you raise will be considered in my review.

Question 57. If dense cockpit smoke is not a serious safety problem, why then has the NTSB long advocated measures to deal with it, and why is the Airline Pilots Association calling for enforcement of the regulations for dense continuous smoke? Moreover, why does the FAA recommend it be addressed in Advisory Circular 25-9A to show compliance with the existing safety regulations (FAR 25-831(d))?

Answer. I am told that all NTSB recommendations on this topic have been satisfactorily responded to by FAA. The 1973 recommendations on the B-707 were closed by changing the operating procedures to improve smoke removal procedures. The recommendation was closed with a further recommendation that FAA require aggressive flight crew actions to determine the source and severity of fire and to land or ditch if the fire was not extinguished. FAA responded with the position that the best place to fight a fire was on the ground, and required all flight manuals to be amended to state that if there is smoke or fire-on the airplane, the crew is to land immediately at the nearest suitable airport. The NTSB closed this recommendation with a continuing concern about flight attendant training to fight fires but made no further recommendations regarding smoke evacuation. FAA has, however, taken action to improve protective breathing equipment for both cockpit and passenger cabin crew members through changes in the operating rules.

FAA officials have informed me that ALPA's concern is that pilots be provided with a view of all necessary instruments, controls, navigation equipment, and communication equipment, as well as a view of the outside world. All of these capabilities are needed to assure that the airplane can be safely landed regardless of location, weather, or day or night conditions. The existing rule provides for that general condition to be provided by smoke evacuation. It is my understanding that no passenger airplane certificated since AC 25-9 was issued has been lost due to smoke in the cockpit. Nevertheless, I am committed to an impartial assessment of this issue.

Question 58. To your knowledge, have any aircraft now flying been tested with "hazardous quantities" of "continuous" smoke, to assure their ability to provide pilot vision during such serious emergencies? If not, then how can we be certain that current aircraft can deal with such smoke conditions?

Answer. All airline aircraft have been shown to meet the "hazardous quantities of smoke" requirements of Federal Aviation Regulation 25.831. While none of these airplanes has been tested with continuous smoke, using either the smoke displacement method or smoke evacuation, the present smoke evacuation procedures are intended to provide reasonable protection against continuous smoke sources.

Question 59. Can you guarantee that dense continuous smoke emergencies—in which pilots are essentially blind—will not occur again in the future? If not, why shouldn't current aircraft be tested and certified to assure that they can deal with such dangerous situations?

Answer. While I am unable to make such a guarantee, as indicated, I intend to carefully review this area, if I am confirmed.

Question 60. If you are appointed as the new FAA Administrator, can you assure this Committee that you will eliminate this arbitrary FAA policy of ignoring foreign accidents (involving American-made and certified aircraft) especially where foreign governments and accident investigators have found or.suspect unsafe conditions, which need to be corrected and instead give your full and prompt consideration to such accidents and findings?

Answer. I am unaware that FAA has a policy of ignoring foreign accidents, but, if I am confirmed, I can assure you that the FAA will take into account the results of accidents involving an aircraft that it has type certificated. Whenever an accident occurs with an aircraft that was originally type certified in the U.S., the FAA is responsible for determining if any design features of the aircraft contributed to the cause of that accident. If they did, the FAA needs to take appropriate action to correct the design of the aircraft. I am told that all world-wide accidents are considered by the FAA when establishing certification standards and airworthiness directives. That will continue, if I am confirmed.

Question 61. Do you believe that the government-industry effort now underway is the best approach to seek a solution to the problem of unapproved parts?

Answer. From my briefings with the FAA, I am confident that there is serious ongoing effort to resolve this problem. If I am confirmed, I will support these efforts. I believe that the FAA-industry partnership is a good approach for developing workable policy and guidance to eliminate the unapproved parts problem. FAA needs the expertise and cooperation of all industry segments, from distributors to manufacturer-

ers, to accomplish this task. Industry has been intimately involved in this effort for over two years.

Question 62. Are FAA unapproved parts a safety concern?

Answer. I am advised that FAA records show that there have not been known aircraft accidents of U.S. registered aircraft that were directly related to unapproved parts. Nevertheless, the FAA is currently receiving reports of replacement parts of unknown quality and origin being offered for sale as approved parts. If I am confirmed, I assure you that FAA and industry will continue the partnership to eliminate any safety concern.

Question 63. As I understand, one of the major concerns of FAA, the DOT Office of Inspector General, the aviation industry and the airlines is the vigilant prosecution of criminals engaged in perpetuating the manufacture, and distribution of counterfeit parts. Do, you agree that the continued focus of this joint government-industry effort should be on prosecuting the criminals engaged in the manufacture of counterfeit parts and the production of counterfeit records and documentation for parts offered for sale?

Answer. I agree that the government should continue its efforts to prosecute these individuals.

Question 64. Do you support a joint effort between FAA and industry to agree on what documentation should be provided by a manufacturer to document a new manufactured part; and what documentation should pass to the purchaser of an aircraft part for all future new and replacement aircraft parts transactions?

Answer. Yes, I support such a joint effort. I am advised that the FAA and industry meet regularly to discuss this issue. Both parties agree that FAA Form 8130-3, Airworthiness Approval Tag, may be used to document new manufactured parts, and all future new replacement parts transactions. The FAA is in the process of implementing this procedure, in addition to developing methods of documenting the airworthiness status of current inventory parts.

Question 65. Could you tell me if you are in favor of this process [Aviation Rulemaking Advisory Committee], and what could be done to increase its efficiency?

Answer. The Aviation Rulemaking Advisory Committee (ARAC) and the negotiated rulemaking process that it embodies offers a means for the aviation community to have an input to the regulations that would impact them. I understand that the efficiency of the ARAC has increased a great deal over the last several months, and that this can be attributed partially to a better understanding of the requirements for rulemaking. Consequently, the recommendations that have been submitted to the FAA most recently have been better justified and in a form that the FAA can more readily consider and potentially adopt. I am told that the ARAC executive committee is developing procedures that the ARAC and its working groups will follow from the initial assignment of a task to submission of the final recommendation to the FAA. Those procedures, if adopted at the next meeting, will also improve ARAC's efficiency. In addition, the FAA is providing drafting, economic analysis, and legal support to the working groups to improve the quality of their products.

Question 66. Does the ARAC need better management?

Answer. I am not sufficiently familiar with ARAC to have a view on this issue.

Question 67. Could you tell me why this might have happened [i.e., perceived loss of U.S. leadership in aviation regulatory process]?

Answer. I understand that it is difficult to compare the U.S. regulatory model with the European model since the Europeans typically do not provide for the degree of public participation prescribed for U.S. regulatory agencies. While I am concerned that some perceive that the U.S. has lost its preeminence, I have seen no evidence that this perception is accurate, particularly given the worldwide respect for the FAA's Federal Aviation Regulations. If confirmed, I will work to ensure strong FAA leadership in this area.

Question 68. What would you do as FAA Administrator to regain our preeminence in the world aviation community?

Answer. Maintaining U.S. preeminence in aviation is a particularly important goal to me. One key way to foster U.S. preeminence is through the continued modernization of our air traffic control system, demonstrating to other countries the benefits of U.S. technology. FAA world leadership in harmonization of regulations is important. A continued strong presence in ICAO's technical efforts is needed. Additionally, exploring public-private partnerships in the U.S. to develop superior new safety technologies and products is another avenue for increasing U.S. preeminence in aviation.

Question 69. How can the FAA's management structure be taught more readily and efficiently to recognize new technology and to take advantage of it while it is still new?

Answer. Although there are often good reasons why new technology is not readily implemented—not the least of which are extended acquisition processes and the slow process of gaining international acceptance—I understand and appreciate the concern reflected in your question. If I am confirmed, I will press for more active cooperation and partnerships with industry, and I will seek continued improvement in agency acquisitions.

QUESTIONS ASKED BY SENATOR INOUYE AND ANSWERS THERETO BY MR. HINSON

Question 1. As you may be aware, I have worked with the FAA for over 2 years now to see that existing safety regulations, requiring that pilots be able to see during emergencies involving "hazardous quantities" of "continuous" cockpit smoke, be enforced. This is based on evidence that such smoke incidents may have caused or contributed to several accidents in recent years in which hundreds of lives were lost.

To date, however, the FAA has not dealt with this safety problem, choosing instead an "unsafe condition." Thus, the FAA astonishingly contends this well known and dangerous situation is not covered by the current law (FAR 25.832(d)). As a result, I introduced S. 787, requiring the FAA to enforce this regulation by means of an Airworthiness Directive.

I am concerned that the FAA'S contention that these are not "unsafe conditions" is similar to the FAA position on de-icing and propeller malfunction problems, which were brought to FAA's attention before they led to tragic accidents. I know you share my desire to see that similar tragedies are avoided in the area of cockpit smoke. May I have your assurance that you will make this issue a top priority of your Administration? I am informed that FAA has in the past issued Airworthiness Directives in a matter of a few days. Do you feel that an Airworthiness Directive can be issued promptly (i.e. within 30 days) without legislative action?

Answer. I assure you I will give the issues you have raised concerning smoke in the cockpit a top priority if I am confirmed. I will impartially review the facts and issues concerning this matter and will make a decision as to whether or not FAA should act to mandate changes in this area. You have my assurance that I will take whatever action is necessary should I identify a problem, including consideration of a corrective airworthiness directive.

Airworthiness Directives must be issued in accordance with the Administrative Procedure Act (APA). Except in emergency situations, the APA requires the publication of a Notice of Proposed Rulemaking (NPRM) to provide a full opportunity for public comments, and the consideration of all comments received before issuance of a final rule. The publication and comment period in non-emergency situations would likely take at least 6 months.

Question 2. To ensure that pilots are provided an adequate view of their instruments and the outside world so they can safely control and land their aircraft during inflight smoke emergencies, Federal Aviation Regulation FAR 25.831(d) requires that: "if accumulation of hazardous quantities of smoke in the cockpit area is reasonably probable, smoke evacuation must be readily accomplished. * * *" If, in spite of this safety regulation, pilot vision is severely impaired, or completely lost, because of too much smoke, from a "continuous" source, do you agree that this is an unsafe condition?

Answer. Yes.

Question 3. I understand that the FAA in its Draft Advisory Circular 25-9A to show compliance with the safety regulation (FAR 5.831(d)), recommends that future generations of aircraft be able to evacuate or displace "dense continuous smoke." These new generations of aircraft won't be flying for about 20 years, however. Can existing planes easily and cost effectively be retrofitted to deal with dense continuous smoke?

Answer. As I have indicated, this is an area that I will review carefully if I am confirmed. The concerns you raise will be considered in my review.

Question 4. If dense cockpit smoke is not a serious safety problem, why then has the NTSB long advocated measures to deal with it, and why is the Airline Pilots Association (ALPA) calling for enforcement of the regulations for dense continuous smoke? Moreover, why does the FAA recommend it be addressed in Advisory Circular 25-9A to show compliance with the existing safety regulations (FAR 25-831(d))?

Answer. I am told that all NTSB recommendations on this topic have been satisfactorily responded to by FAA. The 1973 recommendations on the B-707 were closed by changing the operating procedures to improve smoke removal procedures. The recommendation was closed with a further recommendation that FAA require aggressive flight crew actions to determine the source and severity of fire and to land

or ditch if the fire was not extinguished. FAA responded with the position that the best place to fight a fire was on the ground, and required all flight manuals to be amended to state that, if there is smoke or fire on the airplane, the crew is to land immediately at the nearest suitable airport. The NTSB closed this recommendation with a continuing concern about flight attendant training to fight fires but made no further recommendations regarding smoke evacuation. FAA has, however, taken action to improve protective breathing equipment for both cockpit and passenger cabin crew members through changes in the operating rules.

FAA officials have informed me that ALPA's concern is that pilots be provided with a view of all necessary instruments, controls, navigation equipment, and communication equipment, as well as a view of the outside world. All of these capabilities are needed to assure that the airplane can be safely landed regardless of location, weather, or day or night conditions. The existing rule provides for that general condition to be provided by smoke evacuation. It is my understanding that no passenger airplane certificated since AC 25-9 was issued has been lost due to smoke in the cockpit. Nevertheless, I am committed to an impartial assessment of this issue.

Question 5. To your knowledge, have any aircraft now flying been tested with "hazardous quantities" of "continuous" smoke, to assure their ability to provide pilot vision during such serious emergencies? If your answer is no, how can we be certain that current aircraft can deal with such smoke conditions? Can you guarantee that dense continuous smoke emergencies—in which pilots are essentially blind—will not occur again in the future? If not, why then shouldn't current aircraft be tested and certified to assure that they can deal with such dangerous situations (which is, what the existing safety regulations require—and what the FAA itself recommends in Draft Advisory Circular 25-9A)?

Answer. All airline aircraft have been shown to meet the "hazardous quantities of smoke" requirements of Federal Aviation Regulation 25.831. While none of these airplanes has been tested with continuous smoke, using either the smoke displacement method or smoke evacuation, the present smoke evacuation procedures are intended to provide reasonable protection against continuous smoke sources.

While I am unable to make such a guarantee, as indicated, I intend to carefully review this area, if I am confirmed.

QUESTIONS ASKED BY SENATOR MCCAIN AND ANSWERS THERETO BY MR. HINSON

Question 1. Mr. Hinson, I think you know my strong feelings regarding aviation product liability. I believe product liability is the greatest single obstacle to success and survival of the light aircraft industry, a belief that the Presidential Airline Commission endorses and believes. Do you personally believe as I do, that product liability has seriously affected the general aviation industry and do you think that my concerns are valid?

Answer. I know there are strong concerns about product liability in many segments of the aviation community. As I indicated during my hearing, I am hopeful that both sides to this highly controversial topic can work together to seek a resolution that satisfies all concerned.

Question 2. Mr. Hinson, I sat here in this same hearing room and listened to a product liability lawyer claim that the FAA has been derelict in its responsibility to promote aviation safety. Given the fact that the FAA acts favorably on over 91 percent of the NTSB's Class I (urgent) safety recommendations and 83 percent of the Class II and Class III safety recommendations, do you believe this can be true?

Answer. Based on many years of experience in aviation, I can say with conviction that the FAA has done an exceptional job of promoting the safety of our air transportation system. The figures you cite support that FAA has, indeed, taken its safety responsibilities seriously.

Question 3. Mr. Hinson, several trial lawyers have espoused the idea that plaintiff's lawyers should participate in NTSB crash investigations. What technical expertise would a lawyer contribute to the process of determining the cause of an accident?

Answer. I am not aware of what technical expertise trial lawyers would provide to an accident investigation.

Question 4. Mr. Hinson, some claim that FAA safety standards ignore technological developments and improvements in manufacturing processes. Manufacturers are at the cutting edge of these developments. Yet some claim that manufacturers should have no input about safety standards. How can you reconcile these two positions?

Answer. Manufacturers as well as others in the aviation community must have an active role in the development of FAA's safety standards. FAA's rulemaking procedures, consistent with the requirements of administrative law, should provide an opportunity for full public input.

Question 5. Mr. Hinson, some critics of the FAA dismiss airworthiness directives as so-called "minimum" standards. Isn't it appropriate for the FAA to establish safety criteria for aircraft, instead of allowing manufacturers to guess whether they meet government standards?

Answer. I agree that it is appropriate for the FAA to establish safety standards for aircraft. The FAA has established reasonable regulations and minimum standards as directed by the Federal Aviation Act of 1958. These regulations have contributed to high levels of safety in the United States. These safety standards typically establish safety objectives rather than prescribing specific design details, and thus provide the manufacturer flexibility in design concept. The term "minimum" standards should not be confused, as it may be by some, with the term "minimal." FAA's minimum standards provide for a high degree of safety.

The FAA is continually monitoring the safety of type certificated products. Whenever an unsafe condition is found, the FAA moves quickly through a regulatory process to issue an airworthiness directive. Airworthiness directives require either mandatory inspections or corrective actions. In the majority of cases, airworthiness directives are issued long before incidents or accidents occur.

Question 5. Mr. Hinson, in light of the amazing fact that according to a study conducted for aviation manufacturers, between 1976 and 1986, paid claims and expenses for product liability litigation increased from \$24 million to \$250 million—do you personally believe that aviation crash victims are not treated fairly by the product liability system?

Answer. While I am unable to assess whether crash victims are appropriately treated in general, I am aware that protracted litigation and its associated costs generally works to no one's best interests.

Question 6. Mr. Hinson, you testified that you are concerned about safety. The excessive costs and unpredictability of the product liability system make new aircraft unaffordable. According to information I have received, product liability costs add over \$90,000 to the cost of an aircraft. Wouldn't safety be enhanced if pilots flew newer, more modern aircraft?

Answer. While more modern aircraft have generally been certificated to more recent FAA safety standards that incorporate improvements in safety knowledge and experience, older aircraft also operate to high safety standards.

Question 7. Mr. Hinson, according to aviation manufacturers, 14 new aircraft models were introduced between 1970 and 1980. Between 1980 and 1990, 7 new aircraft models were introduced. Do you agree that diminished innovation is bad for safety? As a follow-up question, wouldn't you agree that a possible compromise on this whole aviation product liability question may be to impose a Statute of Repose, of let's say 15 years, thereby limiting civil actions to 15 years from the date of delivery of the aircraft to its first purchaser?

Answer. I agree that it is important to continue to press for innovation in aviation. In addition, as I indicated earlier, I am hopeful that both sides to the product liability issue can find some common ground to address this issue.

Question 8. The FAA is required, at regular intervals, to inspect, test and validate all aviation navigation safety equipment—this includes beacons, vortacs, communications, VFR and IFR approaches and departures, etc. Due to this mission:

- FAA technicians and pilots spend 6-8 hours per day in aircraft;
- Aircraft fly 800-1,000 hours per year; and

• Flight inspection mission is roughly equivalent to a military mission with all its attendant negative impacts on airframes and personnel, i.e., low level turbulence with long term metal fatigue implications for airframe and short term physical implications for crew, bird strike potential on airframe, and missions frequently flown at night, and in all weather.

The House Appropriations Transportation Subcommittee zeroed the \$37.9 million requested for the program in the President's budget. These funds were budgeted for two additional medium range aircraft. In light of this: Mr. Hinson, do you support the FAA's Flight Inspection mission and validate its need for modern, fuel efficient aircraft to perform this mission?

Answer. Yes. The FAA's flight inspection mission is important to the safety of our air transportation system. Modern, fuel efficient aircraft are needed to help fulfill that mission.

Question 9. Mr. Hinson, are there any implications if the FAA did not have modern aircraft to perform these missions?

Answer. I am advised that the failure to replace FAA's obsolete aircraft, which are becoming increasingly costly to operate because of inefficient fuel systems, the increasing unavailability of parts, and the costly refurbishment to meet the aging aircraft airworthiness requirements, will render FAA unable to meet the flight inspection mission requirements by the year 2000. The economies associated with fleet standardization will not be possible if new aircraft are not acquired as planned. I understand that the increasing amount of maintenance down-time on these older aircraft has greatly reduced their availability to the assigned mission.

Question 10. Mr. Hinson, what immediate steps will you as FAA Administrator take when you receive the recommendations of the National Commission to Ensure a Strong and Competitive Airline Industry and what weight will give the Commission's recommendations?

Answer. If I am confirmed, you may be assured that I will work closely with Secretary Peña to give priority consideration to these proposals.

Question 11. Mr. Hinson, do you see the Presidential Airline Commission recommendations having a strong impact on the Administration's national aviation policy, and do you see it as useful to the Congress as we try to tackle some of the aviation industry's woes?

Answer. Prior to receipt of a final report and careful review of its recommendations, it would be premature for me to offer a substantive evaluation of the Commission's work. If confirmed, I look forward to the chance to analyze the Commission's hard work on a very difficult task.

Question 12. Last year, the airline industry and airline passengers paid a total of \$19 billion in federal airline passenger-related taxes and user fees. A more complete list of these taxes includes:

10 percent Domestic Ticket Tax	\$4.5 billion
\$6 International Departure Tax	\$225 million
\$5 Customs User Fee	\$120 million
\$5 Immigration User Fee	\$210 million
\$1.45 Agricultural Inspection User Fee	\$74 million
Airport Passenger Facility Charge	\$11.3 billion
Payroll Taxes (FICA, Medicare, and FUTA)	\$1.5 billion
Alternative Minimum Taxes (AMT)	\$60 million
AMT Credit Carryover at end of 1992	\$673 million

Mr. Hinson, yesterday the Presidential Airline Commission recommended that the airline industry's biggest problem has been with dealing with the enormous tax burden upon the industry. Do you agree that some kind of tax relief or tax roll back is necessary; and would you please identify, in priority, which taxes could be reduced to give some much needed relief to this industry?

Answer. I am concerned about the financial condition of the airlines. One of the contributors to the situation, which should be carefully reviewed, is the tax burden placed on the industry.

I am advised that, in FY 1991, users of air carriers, freight carriers, international carriers, and commuter operators collectively paid aviation user taxes (Domestic Ticket, Freight Waybill, and International Departure taxes) equal to approximately 95 percent of the costs they imposed on the aviation system. Reducing these user taxes could benefit the industry, but could transfer the costs of building, operating, and maintaining the aviation system to others, or could lead to sharp cutbacks in FAA programs. If I am confirmed, I expect to work with Secretary Peña to address this important issue.

Question 13. Mr. Hinson, I want to bring your attention to a problem that is of particular interest to me—the problem of air tour flights at Grand Canyon and other National Parks.

There has been an ongoing argument regarding the management of airspace over National Parks. In 1987, The National Park Overflight Act directed the Secretary of Interior to develop an aircraft management plan for Grand Canyon National Park which would restore natural quiet. The FAA would then review the plan for safety and then implement the plan by FAA regulations. Some have viewed this as an encroachment on FAA's authority. Others believe it is a reasonable response to protect Park Resources.

How do you view the role of the FAA in working with the National Park service?

Answer. I am advised that FAA has maintained contact with the NPS in the development of its report to Congress, and has representatives serving on the technical review group advisory committee for the study. Further, FAA also reviews and comments on interim reports, and, I am told, maintains a cooperative and proactive relationship with the NPS.

FAA has entered into an Interagency Memorandum of Agreement with the NPS, Fish and Wildlife service, and Bureau of Land Management to assess situations where impacts of aircraft operations upon human, cultural, or natural resources are sufficiently serious to warrant consideration of site-specific action by the FAA.

Question 14. The National Park Overflights Act requires the National Park Service to submit a report to Congress on the effectiveness of the Grand Canyon Aircraft Management Plan in achieving the goal of restoration of natural quiet and on the need for additional regulatory measures. Last year, I held a day long hearing in Flagstaff, and I heard compelling evidence from the National Park Service that the existing regulation has not restored natural quiet.

If the goal of substantial restoration of Natural Quiet is not met, what actions will the FAA take to resolve this problem?

Answer. I understand that the FAA has been meeting with the NPS in an effort to develop a solution to the adverse impact of aircraft overflights of national park units. The NPS has identified air tour operations as a significant source of the noise complaints in the national park conservation areas. I am told that FAA has been actively developing a policy to address this issue, which includes working with NPS to identify pilots operating in violation of the regulation.

Question 15. Do you believe the FAA has sufficient authority to resolve these problems?

Answer. Legislation enacted during the 100th Congress directed the NPS to conduct a study to determine the proper minimum altitude that should be maintained by aircraft when flying over units of the National Park System. Additionally, the FAA was directed to provide technical assistance to the NPS in carrying out the study. The FAA has accomplished this through participation in the NPS technical review group, an interagency association of government and contractor personnel that advises the NPS on the conduct of the required studies.

Further, the legislation required the FAA to promulgate regulations for the management of air traffic in the airspace above the Grand Canyon National Park until the NPS study is completed. In response, the FAA issued SFAR 50-2.

On a continuing basis, the FAA reviews the existing rules and regulations pertaining to flight; in the National Airspace System, which includes the airspace over national park units. As they stand, the rules provide for the safety of aircraft in that they specify a minimum safe altitude for the operation of aircraft.

The NPS is still in the process of conducting studies required by Public Law 100-91. The FAA is waiting for the results of those studies to assess further the necessity for any additional flight restrictions over national park units.

I have not had an opportunity to assess the adequacy of FAA's authority in this area. If I am confirmed and conclude that FAA needs additional authority in the area, I will seek your support in initiating appropriate legislative action.

Question 16. The National Park Overflight Act was intended to resolve problems at the Grand Canyon National Park and at parks in Hawaii. Since its implementation, however, other Parks not covered by the act have begun to report similar problems with overflights.

How do you see the FAA resolving these problems with other parks? Do you believe that a comprehensive plan should be developed to address these problems where ever they may occur?

Answer. In concert with the NPS, FAA is in the process of identifying the national park conservation areas that attract air tours and sightseeing flights in each region. Additionally, FAA is considering operations specifications for air tour operators in identified conservation areas that may include routes and altitudes, which enhance collision avoidance procedures and aircraft noise abatement.

Further, FAA is recommending that air tour operators have a chapter in their operations manual containing an outline of procedures for conducting air tour sightseeing operations.

FAA is also developing an advisory circular for Part 91 and Part 135 tour operations recommending that they work with the local Flight Standards District Office in the development of air tour routes and altitudes. In addition, FAA is promoting educational efforts to enlist the cooperation of transient pilots in avoiding, or flying at higher altitudes over, noise-sensitive areas.

Question 17. The FAA has made a grant to the State of Arizona to construct approximately 24 acres of new helipads at Grand Canyon Airport to support helicopter tour flights over the Grand Canyon. The new facilities will replace existing helipads in the city of Tusayan, Arizona which present a safety problem. I am also concerned about the safety of air tour passengers and people on the ground. I am supportive of the move for this reason.

However, I also have concerns about how this project may affect the goal of restoring natural quiet embodied in the National Parks Overflight Act. Concerns have

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been raised that the new facilities increase capacity and will result in more flights over the Canyon. Also, the FAA approved this project without any environmental review under the National Environmental Policy Act.

I wrote to acting administrator Mr. Del Balzo asking a number of questions about the new pads at the Grand Canyon. In essence, my questions addressed the effect of the new helipads on the goal of restoring natural quiet. The FAA tells me in Mr. Del Balzo's July 15 letter that the new helicopter facilities at Grand Canyon Airport will not result in an increased number of flights over the Grand Canyon. This response is in direct conflict with the airport master plan which repeatedly states that the purpose of the new helipads is to support the rapid growth in helicopter tours, projected into next century.

I understand that you probably have not had an opportunity to review this subject, and I do not want to engage in a lengthy discussion here today.

But I did want to ask you to review the helipad project at Grand Canyon Airport and the FAA's July 15 response as soon as possible, including the issue of NEPA compliance, and contact me concerning FAA's proposed actions?

Answer. If I am confirmed, I assure you I will promptly review the issue of NEPA compliance of the helipad project, and advise you concerning any proposed FAA actions.

Question 18. I understand that Roger Kennedy, Director of the National Park Service, has spoken with Mr. Del Balzo about the Helipad Project and that they have agreed to meet. Will you meet with Roger Kennedy once confirmed if Mr. Del Balzo has not done so yet? Do you think a meeting between the FAA, The NPS, State of Arizona, the tour operators and the environmental organizations might be helpful in resolving this issue?

Answer. I believe that a meeting with Director Kennedy would be useful. Once we have had a chance to discuss this issue together, I believe it could be helpful for both agencies to meet with others that will be affected by any Federal action.

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